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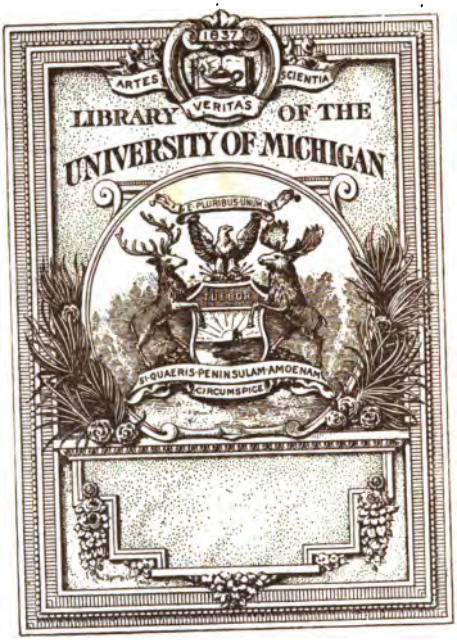
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UNEMPLOYED AND PUBLIC EMPLOYMENT AGENCIES

A DISSERTATION

SUBMITTED TO THE FACULTY OF THE GRADUATE SCHOOL OF ARTS, LITERATURE, AND SCIENCE IN CANDIDACY FOR THE DEGREE OF DOCTOR OF PHILOSOPHY

(DEPARTMENT OF SOCIOLOGY)

BY

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CHICAGO

1914

UNEMPLOYED AND PUBLIC EMPLOYMENT AGENCIES

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CHAPTER I.

UNEMPLOYMENT AND PUBLIC EMPLOYMENT AGENCIES.

By E. H. Sutherland.

INTRODUCTION.

In the modern industrial community unemployment is a continuous phenomenon. It is found even when industry is being hampered by an inadequate labor supply. From the standpoint of the person unemployed it is obviously the result chiefly of the inability to find employment immediately after dismissal or displacement from an engagement, and may be expected to recur periodically at the point of the cessation of occupations or at irregular intervals at the point of disturbance in occupations. Some workers are periodically dismissed at the end of the active seasons; others are employed at odd jobs, and after a few hours or a few days become unemployed; the engagement is characteristically permanent only in those few occupations which, because of the greater continuity of employment, have been called regular. In addition to the workers who are dismissed at the end of their engagements, there are seasonal, casual and regular workers who have become unemployed at times when they have been displaced, either temporarily by such disturbances in their occupations as accidents to the plant or lack of raw materials, or for longer periods by crises or depressions, or permanently by the introduction of machinery or the decay of the industry.

Undoubtedly the least efficient are selected for dismissal or displacement whenever possible, but even if equal efficiency of all workers were assumed, there would still be seasonal and casual occupations, introduction of new machinery, decay of industries, depressions and accidents to the plant; consequently, if other conditions remained the same, there would still be unemployment. Equal efficiency of the workmen would not prevent the fluctuations in the number of employes required. Efficiency is very important in the determination of who shall be dismissed, but the condition of the industry is the important factor in the determination of how many shall be dismissed. This becomes very apparent from a consideration of the coefficients of unemployment in different occupations.

> Max Lazard, Le coefficient de risque professionnel de chômage d'après les trois derniers recensements français, Journ. de Soc. de Statistique de Paris, 53:7-30, Jan., '12; Max Lazard, Le chômage et la profession; New York, Report of Commission on Unemployment, 1911, Charts IV and V. The complete title of this report, to which for the sake of brevity reference is here made as the New York Commission on Unemployment, is "Report to the Legislature of the State of New York by the Commission to Inquire into the Question of Employers' Liability and Other Matters. Third Report: Unemployment and Lack of Farm Labor, 1911."

In order to center the attention on these industrial factors, the unemployed are generally defined as those wage-earners who are able and willing to work, but who cannot find work.

> This definition is composed of three concepts: "Ability to work," "willingness to work" and "being without work." These are vague concepts, have not been standardized and at present are not subject to actual measurement. Any person other than a complete invalid is able to do some work. "Willingness to work" is always dependent on the conditions of the work and the ideals of the workman; the

skilled mechanic frequently refuses to work as a common laborer, the trade unionist sometimes refuses to work in an open shop, or the prohibitionist in a saloon. It is difficult, also, to determine the exact meaning of "being without work"; for instance, how should a workman who is on the books of a firm and reports for work each day, but who secures work only three days a week, be classified? The determination of "ability to work" and "willingness to work" must be made with reference to the local standards and conditions of employment, while the presence of the worker in the labor market is the best criterion of "being without work." The Imperial Statistical Office of Germany has reported that the real difficulty in insuring against unemployment is to secure a simple test of unemployment. See, Germany, Statistisches Amt, Abteilung für Arbeiterstatistik. Die bestehenden Einrichtungen zur Versicherung gegen die Folgen der Arbeitslosigkeit. Berlin, 1906. Teil I, p. 3. The most thorough discussion of the definition of unemployment is by A. Grünspan, Ueber den Begriff der Arbeitslosigkeit, Soziale Praxis 21:692-96, Feb. 29, '12.

From these unemployed persons must be distinguished the unemployable, who, on account of old age, sickness, laziness, weak-mindedness or other personal characteristics, are not able or not willing to work, and therefore have ceased temporarily or permanently to be wage-earners.

The extent of unemployment has never been accurately determined in any country;

New York, Report of Commission on Unemployment, 1911, p. 27; Webb, Public Organization of the Labour Market, p. 163; Rowntree and Lasker, Unemployment, p. vii; Sargent, Bulletin U. S. Bureau of Labor, No. 109, p. 6. Rowntree and Lasker have made the most intensive study of unemployment that has been made up to this time, but it is confined to one city and to the unemployment which was found on one day of the year.

This failure is due to the practical difficulties of computing the number of days of work lost by each employe; but even if the enumeration were complete, the total or the average of the days lost in the different kinds of unemployment would be a mixture of quantities very disparate as to causes, effects and the forms of control which are needed.

Beveridge, Unemployment, p. 27.

Crude indications of the extent of unemployment in the United States have been secured by a number of periodical and special investigations

United States Census Reports of 1890 and 1900; United States Commissioner of Labor, 18th Annual Report, 1903; United States Geological Survey; American Federationist, 1899-1909; Massachusetts, Census Reports of 1885 and 1895; Massachusetts, Labor Bulletins, 1908-date; Massachusetts, 32d Annual Report of Statistics of Labor, 1901; New York, Bulletins of Department of Labor, 1897-date; Rhode Island, Census of 1908. There is considerable material, also, in the reports of the various state bureaus of labor statistics. The best recent summary of the statistics of unemployment is in Sargent, loc. cit. pp. 5-34;

from which the general conclusion has been drawn that there are at all times of the year some unemployed persons willing and able to work even when employers are in need of help, and that this number increases greatly in certain seasons and in years of depression. The New York Commission on Unemployment estimated that in New York in years of ordinary prosperity 3 per cent of the wage-earners usually employed are out of work, that in the winter months this increases to 8 or 10 per cent, and in years of depression to from 15 to 30 per cent.

New York, Report of Commission on Unemployment, 1911, p. 27.

It is not possible to generalize for the entire United States from this information; the nearest approach to equally accurate federal statistics is to be found in an investigation, conducted in 1901 by the United States Commissioner of Labor, of families selected from thirty-three states according

to the industrial importance of the states. Here it was found that of 24,402 heads of families with wages or salaries not over $1,200 a year, 12,154 (49.8 per cent) were unemployed during some part of the year, and that their average period of unemployment was 9.43 weeks.

United States, 18th Annual Report of Commissioner of Labor, 1903, pp. 41-46. It should be noted, however, that this is not a statement of unemployment as defined above, but includes unemployment due to sickness, old age, strikes, etc.

In the absence of accurate statistics, the extent of unemployment is indicated crudely by the report that of the many complaints made by workingmen in the steel industry, none were so frequently repeated or so strongly made as those in regard to the irregularity of employment.

United States, Report on the Condition of Employment in the Iron and Steel Industry, 1913. Vol. III, pp. 21, 205.

Moreover, it is impossible to determine statistically whether unemployment has increased or decreased during the last half century, for there have been no statistics that could be used for comparative purposes previous to 1900 in the United States.

A study of the development of unemployment has been made on the basis of English statistics, which show that unemployment decreased slightly in England from 1860 to 1885, and increased slightly after 1885. G. H. Wood, Some Statistics Relating to Working Class Progress Since 1860, Journal of the Royal Statistical Society, 62:640-48, '99.

The effects of unemployment on the individual, his family and society in general, can hardly be exaggerated. Adequate performance of social duties presupposes regularity of employment and to the problem of irregularity of employment almost all other social problems are intimately related. But the psychosis of unemployment is not conducive to the performance of what are ordinarily known as social duties. Unemployment is a shock or crisis

In one of its phases unemployment is an illustration of Huxley's statement that "the sense of being useless in the world is the greatest shock the human system can receive." Quoted in the Survey 31:156, Nov. 8, '13.

and is a point at which the accustomed habits and standards of morality and industry prove inadequate, particularly when it is long continued or frequently repeated and when consequent to it there is a partial or total failure of the means of support. Consequently the unemployed tend to have a characteristic mental attitude either of revolt against the system in an organized or an unorganized way, or of cessation of effort and acceptation of the situation in a helpless, supine fashion. Many of the revolutions of modern times would have been impossible except for the unemployed; it is significant that the motto of the French revolution was "The Right to Work," that the unemployed began the street fights in the revolution of 1830, that the revolutions of 1848 followed immediately a world crisis, and that the Paris Commune of 1872 was in the most intimate connection with unemployment. The undigested and radical demands made in 1893 by Coxey's Army and the demonstration of the unemployed under Morrison I. Swift in Boston in 1908 show similarly what may be the outcome of such a crisis.

Massachusetts Labor Bulletin, 56:58-62, Feb., '08.

It is easy for the unemployed man to become a socialist and the socialist theory expresses this revolt against unemployment. When the revolt against the system is not organized, unemployment may simply lower the border of vagrancy, theft and other crimes;

Alice W. Solenberger, One Thousand Homeless Men, pp. 139-55.

It is reported that in the great industrial centers of Germany and in St. Petersburg prostitution increases and decreases directly as the amount of unemployment.

Blaschko, Conference internationale de Bruxelles, Enquêtes I:676; Stürmer, Die Prostitution in Russland, p. 76.

These divergent habits are to be explained not by the absolute impossibility of existence otherwise, but by the imputed increase in adequacy of the new methods of conduct, due both to the inadequacy of the old methods and to the stimulations to the formation of new habits.

The lodging houses, saloons and general environment of the homeless men, as Mrs. Solenberger has pointed out, are important factors in the personal deterioration of the unemployed; this applies, also, to the unemployed who are not homeless. It is reported that one of the boys in the gang which murdered Guelzoe in Chicago in 1912 had never met the gang until in an out-of-work period five days before the crime; as soon as he reached the penitentiary after conviction he wrote his mother: "If I had not been out of work I never would have gotten into this trouble." Graham Taylor, Chicago City Club Bulletin, 5:53-54, March 11, '12.

The unemployed may, on the other hand, cease to struggle against the system, and accept it in an unenergetic, helpless, depressed fashion; at first unable by repeated efforts to secure work, they come to refuse work when it is offered; their physical fitness for work, their skill and habits of industry become either intermittent or entirely lacking.

United States, Report on Conditions of Employment in the Iron and Steel Industry, Vol. III, p. 380.

and they drop into the class of casual laborers or unemployables.

Solenberger, op. cit. pp. 139-55; Rowntree and Lasker, op. cit., 94-137, 172-93.

for "nothing degenerates from lack of use faster than the capacity to work."

Unemployment has, also, more overt effects due to the inability to secure a satisfactory substitute for the labor of the breadwinner. The standard of living of the unemployed and those dependent upon them is lowered, frequently to the point of physical suffering,

New York, Report of Commission on Unemployment, 1911, p. 9.

as is evident from the applications for assistance from charity organizations, bread-lines, municipal lodging houses and similar institutions, for some of which unemployment is the sole cause of existence, for others the most important cause. Unemployment is recorded as the principal cause of distress in the New York Charity Organization Society in 29 per cent of its cases in the fiscal year 1908-09, in 22.5 per cent of its cases in the year 1904-5, and in the Chicago United Charities in 20 per cent of its cases in the year 1911-12.

New York, Report of Commission on Unemployment, 1911, p. 28; James Mullenbach, Chicago City Club Bulletin, 5:49; March 11, '12. See, also, G. Kleene, The Statistical Study of Causes of Destitution, Pub. of American Statistical Association, 11:273-85, Sept., '08, for a criticism of the methods of comparing the causes of destitution and a chart showing the relative importance of unemployment as a cause of distress.

The shiftless and irrational methods of expending incomes, to which in some cases this distress is related, may be attributed in part to the fact that it is exceedingly difficult to make plans for future expenditures because of the uncertainty of income and irregularity of employment.

United States, Report on the Conditions of Employment in the Iron and Steel Industries, Vol. III, pp. 21, 205. The effect of unemployment on the family budgets in York is shown by Rowntree and Lasker, op. cit., pp. 222-58.

The unemployment of the men forces their wives and children into sweated or other labor, the children are left without adequate technical or moral training, and tend to develop without the acquisition of skill, to enter

"blind-alley" occupations, and finally to become casual laborers, criminals or vagrants.

New York, Report of Commission on Unemployment, 1911, p. 9; Rowntree and Lasker, op. cit., pp. 7-16.

The presence of the unemployed in the labor market is an important factor in the determination of the wages of those who are employed. Moreover labor is a perishable commodity, and a day's unemployment represents a direct loss of a day's labor; in this way millions of days of labor are wasted every year in the United States. In short, unemployment is of very great importance because of the direct loss of labor power and the indirect loss due to its depreciation, because of the direct physical and psychical suffering, the loss from crime and vagrancy, the investment in charitable and correctional institutions, and the neglect of the children and their consequent inefficiency, as well as because of the mental attitudes which are found in the unemployed. Therefore, supreme social importance must be attributed to the attempts to solve the problem of unemployment.

In the past there has been a variety of attitudes toward unemployment; in the American colonies the unemployed person was frequently classed as a vagabond and was subject to specified penalties.

See, for example, Henning, Virginia Statutes-at-Large, IV:208-09.

Unemployment has very generally been regarded as an individual misfortune, which should be treated by charity. though in some cases public assistance in finding employment has been sufficient to disfranchise the recipients.

In England until 1905 the person who registered at the public employment exchange was disfranchised. In Massachusetts any person other than a veteran of the civil war who receives public aid is disfranchised. This seems to be a mixture of charity and punishment, which, except in importance, is not unlike the Virginia Act of 1755, which ordered that a workhouse be built for the "unemployed poor," but decreed that those who received assistance in it wear colored badges. Henning, op. cit., VI:75-78.

The Wall Street Journal in 1911 referred to unemployment as an inevitable and desirable restriction on the cost of production.

This view that unemployment is necessary in order to regulate wages and population is the classical economic doctrine. See J. Lipowski, Die Frage der Arbeitslosigkeit in der klassischen Nationaloekonomie, Zeitschrift für die gesamte Staatswissenschaft, 68:583-657. Heft 4, '12.

And it has been recognized as a source of danger to those in power, which may, however, be removed by sops. Such attitudes have expressed themselves in various policies of the state or of particular groups or institutions within the state, for relieving the distress of the unemployed by gifts of money, or, in an unorganized way, for finding work for them. Only recently, however, has unemployment come to be looked upon as a problem of the industrial organization. This is because, as a continuous and widespread condition of wage-earners, it is essentially modern. Previous to the industrial revolution wars, crop failures, extortionate taxation and "Acts of God" frequently, indeed, caused idleness and deprived the serfs, slaves, craftsmen, merchants and other classes of the population of their opportunities to make a living; but that was not characteristically an unemployment of wage-earners, for in that domestic economy, even after the abolition of serfdom and slavery, wage-earning did not become extensive. This was because large-scale production had no advantage over small-scale production, for there was little perceptible difference between capitalistic and domestic methods of manufacturing, the same tools were used in both methods and the work was generally carried on in the home, though there were a few factories.

W. Sombart, Der moderne Kapitalismus, I:405.

Production was for the sake of relatively local and immediate consumption, markets were small and frequently intermittent, and there was, therefore, no profitable disposal of large outputs. In fact, a system which made it possible for the workers to own the products of their labor was better adapted to those conditions than a system of wages for making products for an employer. In so far as a wage-earning class had developed, it retained a close contact with the soil, so that it was not deprived of all means of livelihood even if the employment ceased. They were further safe-guarded against unemployment by customs and by such legislation as the requirements that employes should be engaged for not less than a year,

Cunningham, Growth of English Industry, Modern, Part I, p. 29.

and that employers should bear the risks of loss when trade was cut off rather than throw their employes into enforced idleness,

Cunningham, op. cit., p. 295.

and by the official opposition to and restriction of the introduction of machinery.

> In 1623 James prohibited the use of machines for making needles, and Charles would not permit the use of brass buckles because "those who cast the brass buckles can make more in one day than ten of those who make the iron buckles can do." Ibid.

Under modern conditions unemployment has become inherent in the industrial system as a result of the machine process and, consequent to that, the factory system and large-scale production. The mechanical inventions of the last quarter of the eighteenth century and the substitution of large power-driven machinery for tools and human labor made the former domestic methods of manufacture unprofitable. Consequently, the independent labor used previously in domestic production necessarily became dependent on employers for the means and opportunities of employment. Substantially the same thing occurred in transportation, while in agriculture the machinery enabled a smaller proportion of the population to produce the necessary food supplies and thus released a larger number of workers for manufacturing and transportation, thus increasing still more the proportion of wage-earners to the entire population. Not only was this class which was subject to the modern form of unemployment greatly increased in number, but because of the changed industrial conditions the unemployment became a necessary result of the industrial system at its present stage of development. The machinery made possible and necessary an extensive division of labor and specialization of processes, so that one individual could no longer have at hand in his own home several alternate occupations. The factories necessary for the use of the machinery were located with reference to power, raw material and markets; around these the employes gathered. This differentiation of town and country removed the wage-earners from contact with the soil, and when employment for wages ceased, there was ordinarily no other source of income. At the same time the factory system made personal relations between employers and employes increasingly difficult. The large scale production made it necessary to prevent all unprofitable expenditures; the pecuniary gains of the business men became the motivating forces in the new industry. Therefore, whenever the labor became unprofitable either temporarily or permanently because of changes in demand or in the conditions of production, it was necessary to dispense with it, and this could be done the more readily because the employer had no capital invested in labor. Moreover, in the large market, when production continued to be individualistic, the producer could not be intimately in touch with the demand; but the demand in this new industry has not retained its former stability and comparatively unvarying character, but has become subject to sudden and unexpected fluctuations. This difficulty of estimating the demand, together with the increased dependence on money and credit, make possible the somewhat periodical depressions which inevitably involve a great amount of unemployment.

Along with these industrial changes have gone changes in social policy. The personal restrictions of the seventeenth century became exceedingly

galling and entirely inadequate to control the situation. Therefore, the policy of laissez faire was adopted, the enlightened self-interest of the individual was considered sufficient to enable him to provide for himself, and the resulting good of each was considered to be the good of all. As a result of this attitude unemployment was permitted to develop in the modern industrial system.

Since it has become clear that unemployment is inherent in the industrial system as at present organized, and that the laissez faire policy is no more adequate in the control of this situation than the old personal restrictions were, social control has become necessary, with the purpose of a constructive modification of the industrial organization which will prevent and alleviate unemployment. Out of this situation there has developed a constructive social program relating to unemployment, and there has been an increasing consensus of opinion that some or all of its items are required.

> This program is stated essentially as here by Webb, Public Organization of the Labour Market; Beveridge, Unemployment; Rowntree and Lasker, Unemployment; Baab, Zur Frage der Arbeitslosenversicherung, der Arbeitsvermittlung, und der Arbeitsbeschaffung; Adler, article "Arbeitslosigkeit" in Conrad's Handwörterbuch der Staatswissenschaften; and in general in the bulletins and general reports of the Association internationale pour la lutte contre le chômage.

It is proposed that unemployment during depressions could be prevented by postponing some of the public works and government contracts until such depressions begin.

> Dr. Bowley has estimated that in England for this purpose it would be necessary to postpone yearly about 3 or 4 per cent of the government contracts. Webb, Prevention of Destitution, p. 113.

It would be possible, for instance, to postpone some of the work on public buildings, ships, roads, materials for the army and navy, printing of government documents and afforestation. It is affirmed that this method would differ essentially from the relief works which were formerly prevalent in paying not less than the ordinary rates of wages, in hiring help because it was efficient rather than because it was unemployed, and in stimulating those occupations which would cause employment to ramify through the entire industrial system. But since it is maintained that even in years of ordinary prosperity there is a surplus labor supply, it is proposed further that this be absorbed by prohibiting any gainful work by children under fifteen years of age, by requiring children in industry between the ages of fifteen and nineteen to devote half time to labor and half time to industrial training, by furnishing widowed mothers of young children sufficient public aid to support them on condition that they devote their entire time to the training of the children, by reducing the hours of labor in certain occupations, and by decentralizing town populations.

> Rowntree, especially, has urged the decentralization of town population; this would involve provisions for facilitating the removal of families from the city and their settlement in agriculture, and also an alteration in transportation rates or the transportation system, so that it would be possible for industrial workers to live in the country near the cities, whereby they could make a part of their living from the soil. For the success of this policy in Belgium, see C. Pône, Les abonnements d'ouvriers sur les chemins de fer et leur action sur le marché du travail, Bulletin de l'association internationale pour la lutte contre le chômage, 2:443-50, July-Sept., '12; Rowntree and Lasker, op. cit., pp. 262-89.

For the unemployment that remains, it is proposed that there be a system of benefits or insurance against unemployment, either conducted, subsidized or encouraged in some other way by the government. The unemployables who are capable of forming or reforming habits of work should, it is affirmed, be maintained under training. Finally it is proposed that the public employment agencies or exchanges play a very important part in this program.

The terms "agency," "office," "bureau," and more recently "exchange," have been used in designating this institution. There is no essential difference in the terms, though it has been urged that "exchange," which is the prevalent usage in England, be adopted more generally in the United States, because of the imputed similarity of this institution to exchanges for commodities such as grain and lumber. The term "agency" will be used in the present study, however, because that is the most prevalent usage, and in order to avoid the impersonal connotation of "exchange." It may be noted, also, that the term "labor exchange" is used occasionally in the United States to refer to the co-operative institution in which commodities are exchanged for a standard labor-check. See, for instance, Missouri, 20th Annual Report of Bureau of Labor Statistics, 1898, pp. 198-212.

The public employment agency is an institution managed or supported by a public body for the purpose of enabling employers desiring help to meet employes desiring work, and thus of equating so far as possible the demand for and the supply of labor within its area of operation. Its problem is, thus, the organization of the labor market.

Without assuming the validity of this general program or attempting to substantiate it, the purpose of this study is to inquire more specifically into that part of the program relating to public employment agencies, especially in the United States. In this inquiry the following points will be considered: (1) the function which is assigned to the public employment agency by its advocates; (2) the extent to which this assigned function is now being performed by employment agencies, both public and private, in the United States; (3) the possibility of performing this assigned function in the United States in view of the situation in which such agencies would operate; (4) the relation of employment agencies, operating according to this assigned function, to social problems other than unemployment. The underlying purpose of this study is, first, to raise the question of the extent to which there is a scientifically determined policy which will justify the United States, or a state or city within the United States, in establishing public employment agencies, and of the extent to which this policy is merely a clue, not scientifically determined, which may be used in experimentation:

This difference between a policy as scientifically determined and a policy as a clue for experimentation is not posited as absolute, but merely as a difference in degree of certainty in regard to the policy. Any scientifically determined policy is necessarily hypothetical and subject to modification on actual application; but it is assumed to have greater validity because of the more elaborate and complete investigation of the policy in its relation to the general social situation. This does not mean that a policy which has not been scientifically determined should not, on that account, be advocated under certain conditions.

Secondly, to point out some factors which should be taken into consideration in the formation of policies and in the actual operations of public employment agencies, whether they are established on a scientific basis or merely as experiments; thirdly, to attempt to determine whether there is any fundamental reason for the previous failure to organize the labor market, which might render further development impracticable.

CHAPTER II.

THE FUNCTION ASSIGNED TO THE PUBLIC EMPLOYMENT AGENCY BY ITS ADVOCATES.

The function assigned to the public employment agency by its advocates

The advocates to whom reference is here made have expressed their attitudes in such reports as that of the New York Commission on Unemployment, the section on Unemployment of the American Association of Labor Legislation, the Wisconsin Industrial Commis-

sion, the Conference of State Immigration, Land and Labor Officials, and in some of the reports of the free public employment agencies in the United States. The policy is stated much more explicitly, but with essentially the same content, though with differences in points of emphasis, by such European authorities as Webb, Beveridge, Rowntree and Lasker, and by various writers in the bulletins and general reports of the Association internationale pour la lutte contre le chômage.

A more particular function than that here indicated has been assigned to the public employment agency by the Massachusetts Commission to Investigate Employment Offices, 1911, which urges both that the public employment agency should not attempt to compete with the non-public agencies or to duplicate their efforts, and also that the "true function" of the public employment agency is to assist in securing employment for "those who are unskilled or not yet skilled; those who are engaged in interstate, seasonal or casual employment; the immigrant, the youth or the aged." Massachusetts, Report of Commission to Investigate Employment Offices, 1911, p. 97. Evidently, however, if the public employment agency performed this "true function" it would thereby be competing with the non-public agencies and duplicating their efforts. This assigned function, moreover, appears to have been determined not with a view to the solution of the problem of unemployment, but rather with a view to the protection of the most helpless classes of the unemployed, and thus would make the employment agency an eleemosynary institution. Consequently, no account is taken of this type of advocates in the present study, though it is not assumed that this function is, therefore, invalid.

is the organization of the labor market.

The phrase "organization of the labor market" has been used by Webb to designate the objective of the entire program for dealing with unemployment. See Webb, Public Organization of the Labour Market. It has been used by others, however, to refer to the work to be done by the public employment agencies, and it is in this latter sense that it is used here. See Beveridge, op. cit., p. 198.

To organize the labor market is to bring together into one center or system of co-operating centers all demands for and supplies of labor; this means the centralization and unification of the means of securing employment; it means an institutional facilitation of controlled mobility of labor on the basis of complete and continuous information for the present aimless wandering in search of work, either within a locality or from one locality to another. This implies the elimination of the distinct, disparate, competing and non-communicating centers in which demands and supplies are now represented. This institutional organization of the labor market would not only assist a workman to secure employment in his regular occupation, but would enable him to meet for bargaining purposes the employers in other industries; thus it would mean an inter-industrial organization with reference to the continuous employment of labor which would be comparable with the concatenation of processes which has developed between different establishments with reference to the profitable production of commodities.

T. Veblen, Theory of Business Enterprise, pp. 20-65.

This inter-industrial organization of the employment of labor would thus supplement the industrial organization, in which the employment of labor is merely a means to pecuniary gain for individual establishments, and would be made by the state, since the industrial establishment has no sufficiently direct and vital interest in the continuous employment of labor to lead it to make such adjustments. Thus it is expected that the public employment agency will do for the labor market what has been done for the fruit market by the fruit exchange, which receives the fruit from the growers and distributes it to the market in such a way as to prevent a glut

in one community and an inadequate supply in another. The public employment agency has frequently been compared with the grain exchange, also, and it is pointed out that definite indications of the supply of grain are secured for the United States Department of Agriculture by correspondents in 35,000 counties and townships, though similar information in regard to labor is generally lacking.

For an example of such a comparison see United States, Annual Report of Commissioner of Immigration, 1910, pp. 239-40.

For the individual workman this organization of the labor market means the possibility of reduction of the period between engagements, a concatenation of engagements, or a dove-tailing of his employments, so that he can pass immediately from one engagement to another, if there is another position which he can fill within the area of operations of the public employment agency or the system of which it is a part, for the center in one locality is, in an organized market, merely a unit in a system of cooperating centers which covers the entire state, district or nation.

It is not expected that the public employment agency would immediately, or perhaps even at any time in the future, perform this function completely; but nevertheless it is desirable to consider the requirements of the perfect performance of this assigned function by the public employment agency. In order to perform this function of organizing the labor market perfectly, it would be necessary for the public employment agency to secure information in regard to every available position and every available worker within its area of operations. In order to secure complete information in regard to demand and supply, it would be necessary that no position which might be filled should fail to be listed in the public employment agency. Consequently the practice of hiring workers on their personal application would have to be entirely discontinued, and employers would have to agree or be compelled to secure workers only through the employment agencies, for there would appear to be no other method of making wandering in search of work unnecessary and unprofitable than to make it impossible to secure employment in that way.

The suggestion that employers discontinue hiring workers on personal application has been made most explicitly by Baab, op. cit., pp. 253, 293-94; Webb has suggested the necessity of making the use of public agencies compulsory in hiring casual labor, and the obvious implication of his claim that wandering in search of work would be rendered unnecessary by the establishment of public agencies is that he would generalize this compulsion for all kinds of labor. Webb, Public Organization of the Labour Market, pp. 254-55, 265.

Moreover, the complete organization of the labor market would require the attainment of information, whenever possible, far enough in advance of the actual demand for labor or for employment to enable the worker to pass from one occupation to another without loss of time. Thus the worker would register at the public employment agency, not after he became unemployed, but before he was dismissed from the previous engagement,

This is done somewhat extensively in some of the German agencies, as is evident from the fact that of 22,468 persons who registered in the Freiburg agency in 1906, 34.3 per cent were employed at the time of registration. Beveridge, op. cit., p. 245.

and the employer would make his application for help in advance of the time when it was needed, so that neither employer nor worker would suffer loss because of the lack of adjustment, and so that the agency might be given time in which to make the adjustment. In order that this advance information could be given, it would be necessary, further, that the employer inform the employes before they were dismissed, and that the employes inform the employer before they stopped work.

This requirement is already in force for a restricted class in South Carolina. American Labor Legislation Review, p. 2:490, Oct., '12.

The complete performance of this function would require, also, a change in the relationship of public and non-public employment agencies. There is a large class of philanthropic employment agencies which would gladly cease operations if any adequate substitute were established. The advocates of public employment agencies have attempted to secure the co-operation of trade unions and employers' associations, and in many cities, especially in Germany, these organizations have incorporated their agencies in the public agencies and have assisted in the management of the combined agency. But in order that there be one recognized center in the labor market, in which all demands and supplies be represented, it would be necessary that the other non-public agencies, which neither discontinue operations nor become incorporated in the public employment agency, either co-operate with the public agency so that they would thus be eliminated as distinct centers, or else be completely abolished. These non-public agencies might be eliminated as distinct centers by reporting to the public agencies the demands and supplies of which they secure information, though it would not be necessary to make these reports so specific as to invalidate their own operations entirely. For instance, the Wisconsin Industrial Commission contemplates a bulletin which will give information in regard to the entire labor market of the states—this information to be secured from all possible sources, including the non-public employment agencies.

Bulletin of Wisconsin Industrial Commission, 1:220-21, Aug. 20, '12.

But it has been urged, also, that the non-public employment agencies, especially the private agencies, should be completely abolished in the entire labor market, and the public agencies given a monopoly.

Baab, op. cit., 257, 293-94; Loi du 14 mars 1904 relative au placement des employés et ouvriers des deux sexes et de toutes professions, Bulletin de l'office du travail, France, 11:253-54, March, '04.

that they be restricted to those communities in which public agencies are not located.

A. Schiavi, Rapport général No. 2 sur la question du placement, Compte Rendu de la conférence internationale du chômage, 1910. Vol. III, p. 10.

and that they be completely eliminated from the casual occupations.

Webb, Public Organization of the Labour Market, p. 341.

In general the advocates of public employment agencies look to the final abolition of the private agencies, except some agencies which have been established for particular classes, such as nurses or teachers.

Schiavi, ibid.

Moreover the perfect performance of this assigned function would make it necessary for the public employment agency to be a part of a system of public agencies, which in the United States would preferably be a national system. Through these agencies the unemployed in any locality would have access to information in regard to available positions in all other localities in the United States, and particularly the unemployed in the city would have information in regard to positions which they might secure in the smaller towns and open country. Thus the first prerequisite of increased mobility of labor would be adequate and definite information in regard to where to apply for employment.

But it would be necessary, also, for the successful operation of this proposed policy that the workers be assisted in going to other localities in which work was reported to be accessible, either by securing reduced rates on the railways, advance payment of wages or loans from the state.

The breaking up of the distinct centers in the labor markets is expected to facilitate the passage of workers from one occupation or one trade to another, since these workers would have access in this common center to opportunities in all trades. It has been proposed that this inter-occupational mobility be increased by having the worker equipped with the technical skill of two or more trades or occupations, in order to increase the possibility of dove-tailing occupations.

Devine, Misery and Its Causes, pp. 126-28.

Thus the establishment of a central agency is expected to increase the mobility of fluidity of labor, and this mobility is expected to be both inter-occupational and inter-communal.

This organization of the labor market would require, also, the restriction of entrance into certain casual occupations to those casual workers selected by the agency for that purpose. This would make it necessary to register a sufficient number of casual workers in a community to perform the casual work of that community, to drain off the pools of unnecessary casual laborers now continually underemployed, and thus furnish regular and continuous work to the registered casual workers; this is the process of decasualization of labor.

The English authorities have emphasized this function of the exchange more than the writers in other European or in American countries. See, for instance, Webb, op. cit., pp. 260-64.

Finally, it would be necessary to protect the labor market against sudden and unregulated increases in the supply of labor by an adequate control of immigration on the basis of the demand for labor of the kind offered, for a definite control of the distribution of labor could not be secured unless there was also a definite control of the supply of labor. The regulation of immigration would make necessary a co-operation between the system of employment agencies in the United States and similar systems in foreign countries from which immigrants come.

H. P. Fairchild, The Restriction of Immigration, American Journal of Sociology, 17:641-46, March, '12.

It is assumed that the remainder of the program for dealing with unemployment

As outlined above, pp. 101-102.

depends on the public employment agency. First, the public employment agency is expected to reduce unemployment to a minimum before other measures are set into operation; it would appear to be a very inefficient program, from the standpoint of the advocates of these agencies, for benefits to be paid to the unemployed, when they might be employed if they had information in regard to the opportunities for employment. Secondly, it is assumed that the public employment agency is the necessary test of the impossibility of finding work. In order to administer a system of insurance against unemployment, it would be necessary to have other information in regard to the impossibility of finding work than the statements of applicants for benefits. In order to determine when benefits should be commenced and when they should be discontinued, it would be necessary to have complete and continuous information in regard to the demand for labor. Thirdly, the state would be unable to adjust its contracts, to commence or discontinue public works for the purpose of levelling or regularizing the demands for labor except on the basis of such statistics of the extent of unemployment as would be furnished by the reports of the successful public employment agencies. These reports are expected to be a delicate test of the necessity for state action in increasing industrial activities to prevent depressions. Finally, the decasualization of labor would be impossible except by means of an administrative control of the distribution of casual labor which would confine the casual work to a sufficient number of registered casual laborers to enable them to secure continuous employment.

Because of this dependence of the rest of the program on the public employment agency and the inherent importance of reducing unemployment to a minimum by employment in regular industrial enterprises, it is assumed that the establishment of the public agency is the first step in the solution of the problem of unemployment.

This policy does not assume that the public employment agency in itself would be a complete solution of the entire problem of unemployment, for it sets up a much more general program, in which the employment agency is only one, though the basic, element. It is not expected that the public

employment agency would make work for the unemployed, but only that it would enable the unemployed to get in touch with the existing opportunities for employment, of which, in many cases, they would otherwise be ignorant. Thus the employment agency would remove the factor of ignorance and lack of definite and accurate information from the problem of unemployment.

This factor is, however, accounted as a very large and important element of the problem. It is denied outright that there is any general surplus of labor, in the sense that there is permanently in a country a larger number of workers than there are at any time opportunities for employment.

Beveridge, op. cit., pp. 4-15.

Moreover, it is claimed that in years of depression the actual output of commodities, in terms of tale and weight, is not greatly increased and that there are very many opportunities for employment which, because of ignorance, are not utilized, because laborers are confined to certain occupations and to certain cities or even parts of cities. And in regard to seasonal fluctuations, it is the assumption that occupations could be made to dovetail almost completely if there was an adequate method of securing and distributing information, and, on the basis of this information, of distributing the labor supply. Consequently, it is the basic assumption of this policy that unemployment is due principally to maladjustments of supply and demand at any one time, and that what appears to be a surplus of labor in certain years or certain seasons is largely due to the failure on the part of the employes to secure the opportunities for work which actually exist. No one has attempted to make a numerical statement of the proportion of unemployment due to this maladjustment, but it is evident that the emphasis is placed on this factor.

This is the ideal which has been developed on the basis of the actual experience of employment agencies in Europe and other countries, and the theoretical consideration of the situation with which these agencies are expected to deal. It is this ideal which is presented to the person who is seeking information in regard to methods of dealing with the problem of unemployment, and on that account the present study is confined principally to a consideration of this assigned or ideal function rather than the functions actually performed by the European agencies, for the agencies are for the most part far short of this ideal. This ideal, moreover, is the expression of the experts or leaders in the attempt to solve the problem. Consequently, this assigned or ideal function, which the leaders have recognized as in part utopian so far as immediate realization is concerned,

Beveridge, op. cit., p. 198

will be used as the basis of judgment of the functions actually performed by existing agencies in the United States, after which a critical study of this ideal will be attempted.

CHAPTER III.

The Actual Functioning of Non-Public Employment Agencies in the United States.

In the earlier and simpler industrial system the towns were small, industry was relatively stable, and it was possible for the individual to have fairly complete information in regard to the restricted labor market without institutional assistance. But with the increase in the area, complexity and instability of the labor market, there is no adequate opportunity for the laborer by his own efforts to determine the demands for his labor, even in territory contiguous with his dwelling or his place of work. Nevertheless, the older methods of finding employment are still the principal methods, for the technique of the eighteenth century labor market has been carried over with little modification into the labor market of the twentieth century. Notwithstanding the demands for organized and systematized information in regard to the labor market and the immense social importance of regular

and continuous employment, the method of finding employment is one of the purest survivals of the peddling and hawking economy, while practically all other commodities are sold in well-known markets.

Beveridge, op. cit., pp. 197-98; G. Haw, From Workhouse to Westminster, The Life Story of Will Crooks; Wyckoff, the Workers; Solenberger, op. cit., pp. 139-55; Devine, Report on Employment Bureau for New York, pp. 22-24.

Even in European countries in which the business of placement has been much more thoroughly systematized than it has been in the United States, the workers depend primarily on informal and personal information in finding employment, and their principal method is to hawk their labor from shop to shop or from factory to factory.

Beveridge, op. cit., pp. 252, 253, 264.

A study of 759 employers in New York has shown that of this number 440 secured help only through the personal application of workers at the plant, while only 292 combined with that method the patronage of various kinds of employment agencies.

New York, Report of Commission on Unemployment, 1911, p. 161.

In the United States this evil of indefinite and inaccurate information is increased by the haphazard direction of immigrants into occupations and localities from the correspondence of friends.

F. J. Sheridan, Italian, Slavic and Hungarian Unskilled Immigrant Laborers in the United States, Bulletin U. S. Bureau of Labor, 72:407-408, Sept., '07; New York, Report of Commission of Immigration, 1909, p. 110.

In hawking his labor the worker is in some cases entirely lacking in direct information in regard to the situation, as the newcomer in a community would be, though even in such cases the applicant for employment has indirect knowledge which he has secured previously in a somewhat similar situation, and is able to transfer his technique. In some cases the applicant for employment has informal and personal information in regard to how to find work; he may secure it from fellow-workmen, friends, strangers on the street, policemen, saloon keepers and others not directly recognized as employment agents. Habits are formed sometimes of applying for work at only one establishment, and thus of limiting the opportunities for work; this practice is prevalent among the workers in such establishments as the steel mills or stock yards in Chicago; sometimes the applicant goes to a regular series of establishments and sometimes he applies promiscuously; cases are reported in which workmen toss up coins to determine the direction in which to start in the search of work.

Beveridge, op. cit., p. 265; see, also, Devine, op. cit., 119-29.

Evidently the method of hawking labor is quite inadequate to give information in regard to the positions actually existent; even if the positions are finally found, there is a great amount of time lost between jobs; and it is a wasteful and expensive method, for it is necessary to travel long distances in search for work on the basis of mere rumors, stray hints and other information which proves to be unauthentic. Such tramping is hard work, produces despair and hopelessness and easily leads to vagrancy.

Solenberger, op. cit., pp. 139-55.

It is an unsatisfactory system for employers, also, since production is delayed, particularly in smaller communities, by lack of labor, and there are at other times crowds of unemployed men loitering at the gates, requiring attention and not being stopped even by signs "No Help Wanted."

Since it has become apparent that the individual workman is not fitted to make these adjustments for himself, various institutions have grown up whose purpose is to supply this assistance. The most important non-public agencies of this type are the philanthropic, the private, the trade union and the employers' associations, employment agencies. Some of these institutions merely use this maladjustment as an opportunity of making profits;

others use it as a means of securing control of the labor supply; and others are more concerned in the solution of the general social problem which is presented by the maladjustment.

The philanthropic employment agencies

For detailed descriptions of these agencies, see in addition to the reports of the various philanthropic organizations, Devine, op. cit., pp. 109-18, 216-17, 227-31; Kellor, Out of Work, pp. 152-78, 237-45; New York, Report of Commission on Unemployment, 1911, 57-58; New York, Report of Commission of Immigration, 1909, pp. 88-93; Massachusetts, 24th Annual Report of Statistics of Labor, 1893, pp. 81-115; Sargent, op. cit., passim; List of Free Employment Agencies, United States Department of Agriculture, Division of Statistics, Circular No. 13, June 28, 1900.

are those maintained by charitable, religious, national or other associations in the attempt to help applicants of a restricted class in which the association is primarily interested. Neither individually nor collectively do they make organized efforts to solve the problem of unemployment.

The National Employment Exchange in New York City is an exception.

They have thus created a series of distinct and sometimes competing centers, between which there is practically no co-operation. An investigation of sixteen philanthropic employment agencies in Chicago in 1911 revealed the fact that the operations of each of these agencies were entirely distinct from those of other agencies, except that occasionally applicants who were not in the class for which an agency was intended, or applicants for whom work could not be found, were referred to some other agency. The philanthropic employment agencies of Boston planned, in 1893, to establish a central agency, but the plan was not carried out.

Massachusetts, Report of Board to Investigate the Unemployed, 1895, Part V., pp. lii-liv.

As a class, these agencies fail to organize the labor market in accordance with the ideal function assigned to the public employment agencies, because, also, they restrict their operations to one city, and only in isolated cases do they attempt to organize the market in an inter-communal way. They seldom have facilities for determining opportunities for employment in other communities. When there is in a community no demand for labor, these agencies are generally as helpless as the individual who is hawking his labor. There are, however, some exceptions to this generalization. Of the placements made by the manual labor department of the National Employment Exchange in the fiscal year 1912, 58.9 per cent were outside of New York City, and 27.4 per cent were outside of New York State,

National Employment Exchange, 3rd Annual Report, 1912, Table No. II.

but it was able only to secure the positions to which the workers were first sent and could do nothing for them after that engagement ended. A small amount is done by such agencies as the Industrial Removal Office in New York City and the Federated Jewish Societies in Boston in the distribution of Jewish families and single men to other parts of the United States, and the Y. M. C. A. has representatives at Ellis Island, who assist the immigrants in choosing destinations. As a class, however, these philanthropic agencies either do no significant inter-communal placement, or else work only in sending applicants away from the local city and do nothing to keep them employed after they have been sent out. There is no system of agencies which is in touch with a wide area and between which there is constant communication, as is represented in the ideal system of employment agencies.

The philanthropic employment agencies, characteristically, are dealing with the inefficient workers.

Devine, op. cit., 117-18; New York, Report of Commission on Unemployment, 1911, p. 57.

Consequently, employers who desire efficient workers do not send to

such institutions for help. The employers who do patronize such agencies expect to get only inefficient workers and they take advantage of this expected inferiority to secure them at wages lower than the market rate; it is reported that workers were sent out from such institutions in New York at wages of $5 and $10, when the market rate was $25 and $30.

New York, Report of Commission on Unemployment, 1911, p. 57.

Because of the reputed inefficiency of the applicants and the connection with charity, the efficient workers are not apt to go to such institutions; and when they do secure employment through such agencies, it may become harmful to them, since they are generally shifted into the channels of casual work, and casualization is one of the chief dangers of unemployment. There are many opportunities to get into such casual work, but few opportunities to get out. Moreover, in such work habits are formed which make it difficult for the worker to return to regular employment.

Some of the charitable institutions have realized their inefficiency in dealing with the problem of unemployment, and some of the most prominent philanthropic employment agencies have, on that account, been abandoned. It was for this reason that the three most notable philanthropic agencies in New York City were abandoned—namely, the Cooper Union Labor Bureau, conducted by the Association for Improving the Condition of the Poor, the Employment Bureau of the Society of St. Vincent de Paul, and the Employment Bureau of the United Hebrew Charities.

Devine, op. cit., pp. 13-15, 112-18.

It was decided that the connection with charity, the lack of capital and the fact that it is a side issue to the real work of such institutions militate against the work of employment agencies conducted by charitable societies and that this work is, therefore, not a function of charitable societies.

Thus the philanthropic employment agencies have been of assistance to some of the unemployed, but they have been of very slight influence in organizing the labor market, because they are not attempting to solve the problem of unemployment, because they have failed to co-operate, because they have restricted their operations to particular classes and thus have become distinct centers in the labor market, because they have restricted their efforts principally or entirely to one locality, and because their applicants have been generally inefficient.

A second kind of employment agencies is that maintained as a private institution for profit. It is particularly important to determine the extent to which these private employment agencies have organized the labor market, both because of the large number of such agencies and the recommendation of the Massachusetts Commission to Investigate Employment Offices, that these agencies "should be regarded as the recognized and proper medium for bringing together the ordinary employe out of employment and the ordinary employer with employment to offer."

Massachusetts, Report of Commission to Investigate Employment Offices, 1911, p. 14.

There has been no study of the history of such agencies in the United States, though it is known that there is a private employment agency in Baltimore, which was established in 1823,

Maryland, 5th Annual Report of Bureau of Industrial Statistics, 1896:69.

and New York City has had ordinances regulating such agencies since 1835. Neither has there been a comprehensive survey of the number of private agencies in the United States or the number of positions secured by them.

Such agencies have not attempted to solve the social problem of unemployment; they are business enterprises, maintained for pecuniary reasons. Therefore, it is to their interest that unemployment should continue and that it should be necessary for employers and workers to call on them for assistance. Consequently, their methods have been such as to yield them an individual profit rather than to keep the workers steadily employed.

This competitive motive has resulted in the development of these agencies as distinct centers in the labor market. This is seen particularly in the specialization of the agencies. The private employment agencies in Chicago in 1912 and the licensed employment agencies in New York City in 1910 were classified by the inspectors of private agencies as follows:

Private Employment Agencies in Chicago and New York—Number of Agencies by Classes of Laborers Assisted.

Type of Agency.	Chicago.	New York.
Domestic servants	81	393
Unskilled labor	59	58
Theatrical performers	41	191
Clerical and mercantile	18	21
General labor	17	40
Nurses	13	24
Teachers	8	..
Hotel and restaurant workers	6	38
Barbers	3	23
Farm and garden laborers	..	20
Seamen	..	13
European passage workers	..	7
Printers	1	..
Architects	1	..
Choir	1	..
Total	249	828

Though these two classifications are not entirely comparable, since one deals with private agencies and the other with licensed agencies, which includes some of other types than private agencies, they show some of the lines of classification between the agencies. But they have become specialized in other ways than by occupations. Some agencies are limited principally or entirely to persons of a particular nationality, color or sex; others have a distinct clientele of employers; others have a distinct clientele of employers, built up on the basis of friendship, successful relations in the past or other indefinite characteristic; some mercantile agencies deal only with persons who can command a salary of more than $1,000 a year. Moreover, such limitations have frequently been compounded; some agencies limit their activities to one sex, one nationality, one part of a city and one occupation. There is in New York City an agency which does nothing except place Servo-Croats on the New York Central and West Shore lines as freight handlers;

Survey 29:283, Dec. 7, '12.

in Chicago the Great Northern Labor Exchange does no work except in placing workmen on the Great Northern and Burlington railways, and in this work gives the preference to foreigners who apply for employment.

These lines of demarcation are not drawn closely in most cases, but they are drawn sufficiently close to create a series of distinct centers between which there is little or no co-operation. Such agencies do not combine to form a central agency, nor do they co-operate except in emergencies when it is necessary to supplement their own efforts in order to fill positions. Thus, it is reported that the Balkan Labor Agency in Chicago has a contract to furnish track laborers for the Northwestern system, and since it is unable to secure enough workers by its own efforts, it has made standing arrangements with several other labor agencies by which, for a part of the fees, they assist it when labor is scarce.

Not only do the private agencies fail to co-operate, but they are often in most aggressive competition; especially is this true of the domestic agencies.

New York, Report of Commission of Immigration, 1909, p. 114.

As a result of this competition some agencies attempt to bind or hold the applicant until a position is found; likewise some agencies have demands

for workers and try to conceal the fact from other agencies until they find the applicants. Thus, it is possible that there may be at the same time persons wanting work and employers who would employ such persons if the adjustment could be made.

The occupational classification of private agencies makes it evident that the great development has been in the field of unskilled labor and temporary employments. In New York about 600 of the 750 private employment agencies are domestic agencies,

New York, Report of Commission of Immigration, 1909, p. 114.

and in Chicago approximately one-third of the private agencies deal almost exclusively with domestic servants. This specialization in the field of temporary positions and unskilled labor is due to the fact that these agencies find the largest profits in placing persons in situations which are apt to be temporary, thereby securing fees more frequently.

New York, Commission on Unemployment, 1911, pp. 11, 56.

Moreover, the agencies have frequently taken means to reduce the length of engagements in order to secure additional fees. This is done, first, by holding up offers of better employment to those already employed. A striking form of this is seen in what is called "stealing men." The agency, in this case, induces men who are already employed to leave their position and accept another position. The International Labor Agency in Chicago, according to the statement of its manager, in the summer of 1911 had fourteen representatives in the field attempting to secure laborers; these representatives went as far as New Orleans and New York; they secured laborers from the mines and factories of Pennsylvania; in some cases by arrangements with interpreters they induced entire gangs to leave work on one railroad and take positions on other railroads in the vicinity. Secondly, some agencies shorten engagements by making arrangements with employers or foremen to dismiss the employes after they have worked for a short time and to hire others; the fees are then divided between the agency and the employer or foreman.

New York, Report of Commission of Immigration, 1909, pp. 118-20; California, 9th Biennial Report of Bureau of Labor Statistics, 1899-1900, p. 73; Colorado, 12th Biennial Report of Bureau of Labor Statistics, 1909-10, p. 200; Kellor, op. cit., pp. 194-95; 27th Annual Convention of International Association of Officials of Bureaus of Labor, 1911, p. 78.

In Chicago the Chicago City Railway Company, the Rock Island Railway and the George W. Jackson Construction Company asked the assistance of the inspector of private employment agencies in breaking up this custom, for it was demoralizing their labor forces; several of the foremen were fined and discharged for this, and the next year the Santa Fe and the Chicago, Milwaukee and St. Paul Railway Companies were assisted in the same way.

Illinois, 11th Annual Report of Free Employment Offices, 1909, pp. 108, 112.

Private employment agencies differ greatly in regard to the local limitations of their work. Many of them, however, limit their work to a particular locality, and thus it is possible that they may have applicants for positions whom they can not place, though there are many vacancies of the kind desired outside their area of operations. Other agencies do a great deal of work in sending labor outside the city or the state. The following figures show something of the extent of such operations by the agencies for immigrant contract labor in New York: Sixty-one agencies of this type sent out from that city 40,737 men in the period from May 1, 1904, to July 31, 1906, of whom 10,596 were sent to other parts of New York State, 11,597 to fourteen other northern states, and 18,544 to twelve southern states; of the entire number, 55.0 per cent were sent to railroad construction work, 8.5 per cent to coal mines, and the rest to miscellaneous positions; they were sent to 643 different localities, and 92 per cent of them to towns with a population less than 50,000.

New York, Report of Commission of Immigration, 1909, pp. 120-21.

Of the private agencies in Chicago which handle immigrant labor, 68 per cent had no offers of work except at long distances.

Grace Abbott, The Chicago Employment Agency and the Immigrant Worker, American Journal of Sociology, 14:293, Nov., '08.

But these figures are not in themselves adequate evidence of the organization of the labor market. It is necessary to know also what becomes of these workers. Very few of these private agencies have branches or agents in other communities; they merely find opportunities for employment in other localities and do nothing to keep the workers in employment. Consequently, when the workers finish the engagement to which they are sent, they are left without direction in regard to opportunities for employment, and are compelled to drift back to the cities in which there are agencies, or to wander about without guidance in the search for work. In some states there are laws which limit the activities of the agencies to the cities in which they are licensed, and it is necessary that workers return to those cities before the agencies can do anything to assist them, even though the agencies may know of positions in the localities in which the workers were previously engaged.

New York Statute on Employment Agencies; National Employment Exchange, 1st Annual Report, 1910, pp. 24-25.

In addition to these fundamental inadequacies and deficiencies, the character of many of these agencies has been such that employes and employers have refused to patronize them at all, or do so only as a last resort. Miss Kellor decided in 1904 that two-thirds of the private employment agencies were dishonest and fraudulent,

Kellor, op. cit., pp. 40-41. It is not clear whether the reference is here to the private agencies of New York City, or to the agencies in all the cities studied, including Chicago, Boston and Philadelphia, in addition to New York City.

and more recently the Commissioner of the License Bureau of New York City estimated that 60 per cent of the agencies were honest.

Devine, op. cit., p. 13, footnote.

Of thirteen private agencies interviewed in Chicago in 1912, two stated that the reason they did not co-operate with private employment agencies in other cities was that most private agencies were dishonest. The general character of these agencies may be explained in view of the fact that there is little capital required, the clients are frequently changing, are frequently ignorant of the customs and laws, and do not have information in regard to what the agency is doing. The abuses are certainly not found in all agencies, but all agencies suffer more or less from the same reputation, and the abuses and general reputation are factors in their success in organizing the market.

On these abuses, see in particular, Kellor, op. cit., pp. 179-213; United States Industrial Commission, 1901, 15:lxxxv ff.; Illinois, 10th Biennial Report of Bureau of Labor Statistics, 1898, pp. 46-138; Sargent, opp. cit., passim; New York, Report of Commission of Immigration, 1909, pp. 111-28. Many of the reports of the state bureaus of labor statistics also give information in regard to this.

These frauds are of the most various nature. The agencies are known to misrepresent pay, permanency of positions and other conditions of work.

New York, Report of Commission of Immigration, 1909, pp. 80-88, 115-16; Kellor, op. cit., 193-94; Abbott, loc. cit., 14:295.

During the period from May, 1904, to February, 1909, twelve licenses were revoked in New York City for this cause.

New York, Report of Commission of Immigration, 1909, pp. 115-16.

The fees are frequently very high, and in fact the contract labor agencies frankly state that they charge whatever they can get.

Abbott, loc. cit., 14:296.

Very complete records have been secured in regard to the operation of the private employment agencies of California; these records show that the fee

which is charged is inversely proportional to the number of positions secured in each month.

California, 14th Biennial Report of Bureau of Labor Statistics, 1909-10, pp. 318-26.

In Chicago the fee is sometimes as high as $20 when work is scarce, ranges most generally from $2 to $6, though in the summer, when most of the workers are employed, no fees are charged, and inducements may even be offered to the workers to accept positions. The average fee charged by the firm of Clapp, Norstrom and Riley in Chicago during the year 1910, according to their records, was $1.36; however, out of 19,908 positions secured, no fees were paid by 2,658 persons. Though statutes in many states regulate the fees, this has generally been interpreted to mean only the original registration fee paid before a position is secured, and to be in no case a limitation of the right to contract.

Ex parte Dickey, 114 California 234, 77 Pac. 924; case of Hill v. Ohio, reported in Ohio, 32d Annual Report of Bureau of Labor Statistics, 1908, pp. 18-23; Illinois, Report of Attorney General, 1903-4, pp. 277-78; Abbott, loc. cit., 14:295-96; Oklahoma, Report of Attorney General, reproduced in 1st Annual Report of Oklahoma Department of Labor, 1908, p. 174. A lower court in Oklahoma has decided that the fee of $2 is the maximum charge that can be made in any way, either on registration or subsequently. See, State of Oklahoma v. Welch Employment Agency, June 22, 1911, reported in 4th Annual Report of Oklahoma Department of Labor, 1910-11, pp. 101-02, and International Association of Officials of Bureaus of Labor, 27th Annual Report, 1911, p. 77. Dr. L. D. Clark has objected to the decisions on the ground that the regulation of employment agency fees is not different in principle from the regulation of rates of interest. Bulletin United States Bureau of Labor, 91:936.

Moreover, these agencies frequently accept fees without reference to the possibility of securing positions for applicants,

Kellor, op. cit., p. 188; Abbott, loc. cit., 14:297-99.

and, though these fees can legally be reclaimed if the applicant does not secure employment, the ignorance of the applicants, the lack of efficient inspection in most states, and the long time limits within which the fee can be held by the agency, practically mean that when a fee is paid it is lost unless a position is secured.

What can be done by inspection is seen in the fact that in Chicago fees amounting to $4,040 were refunded during the year 1910-11 through the assistance of the inspectors and without prosecution. Illinois, 13th Annual Report of Free Employment Offices, 1911, pp. 102, 109. In New York City six licenses were revoked for refusal to refund fees during the period from May, 1904, to February, 1909. New York, Report of Commission of Immigration, 1909, pp. 115-16.

In New York one agency was found which maintained, under another name, a guarantee bureau, from which the applicants were required to secure statements of character, for which an additional fee was paid.

New York, 17th Annual Report of Bureau of Labor Statistics, 1899, pp. 1223-24.

Some agencies have sent applicants to the free employment agencies, charging them a fee for this service,

An employment agency in Virginia sent a gang of laborers from there to Kansas Free Employment Agency, charging for this a fee of $20 for each person. 11th Kansas, Annual Report of Director of Free Employment Bureau, 1911, p. 3.

and to large firms which were hiring many employes, without direct knowledge of whether additional workers were needed at the time; in this case the agency had nothing to lose and there was a possibility that the applicant might secure a position. Applicants are frequently sent to distant places and

when they arrive find no work and have no funds on which to return to the employment agency.

Abbott, loc. cit., 14:297-99.

These agencies are interested primarily in securing the fees from applicants, and so fail to adjust the applicants to positions, but place them in any available position, even though it is certain that such applicants must soon be dismissed, thus causing trouble both for the employes and the employers.

W. S. Wollner, A Plan of Organization for a Track Labor Department, Railway Age Gazette, 52:494-96, March 15, '12.

They frequently have no knowledge of the kind of positions to which applicants are sent,

New York, Report of Commission of Immigration, 1909, p. 114; Kellor, op. cit., pp. 57-58, 78 ff.

and frequently place applicants in positions in which there is known to be brutal treatment and peonage.

Kellor, op. cit., pp. 207-10; New York, Report of Commission of Immigration, 1909, p. 122. See, also, the case against the Corn Products Company in the Chicago daily papers, December 16, '08.

Both unwittingly and intentionally, sometimes directly and sometimes through their "runners,"

New York, Report of Commission of Immigration, 1909, pp. 114, 118-19.

they place young women in disreputable houses; investigators for the New York Commission of Immigration in New York City and Buffalo, and for the Vice Commission in Chicago found agencies which were willing to send girls to disreputable houses, even when the agencies were informed of the character of the positions;

New York, Report of Commission of Immigration, 1909, p. 118; Report of Chicago Vice Commission, 1911, pp. 218-21.

ten licenses were revoked for this cause in New York from 1904 to 1909,

New York, Report of Commission of Immigration, 1909, pp. 115-16.

and three Chicago agents were prosecuted for this offense in 1911.

Illinois, 13th Annual Report of Free Employment Offices, 1911, p. 102.

Moreover, these agencies are directly and indirectly responsible for vice and immorality by such office arrangements as failure to segregate the sexes,

New York, Report of Commission of Immigration, 1909, 118; Kellor, op. cit., p. 28.

by keeping open until late at night with disreputable characters permitted in the offices.

New York, Report of Commission of Immigration, 1909, p. 118.

by connection with saloons, gambling-dens, fortune tellers, palmists, midwives and similar classes,

Kellor, op. cit., pp. 21-22, 77, 181-83; New York, Report of Commission of Immigration, 1909, p. 117.

and by conducting agencies in living rooms.

New York, Report of Commission of Immigration, 1909, pp. 114-16; Kellor, op. cit., pp. 20-26; Abbott, loc. cit., 14:291.

Moreover, their quarters are frequently dark, badly ventilated and extremely dirty and vermin-laden.

Kellor, op. cit., pp. 8, 20-28.

Finally, these agencies have been connected in many ways with the padrones who have assisted in changing the workers frequently from position to position, have secured commissary concessions, have violated the spirit, if not the letter, of the contract labor law, and have misrepresented work conditions.

G. C. Speranza, Charities, 11:26-28, 1903; G. C. Speranza, in 3rd General Report of New York Department of Labor, 1903, pp. 199-203; Survey, 29:283, Dec. 7, '12; New York, Report of Commission of Immigration, 1909, pp. 115-16, 121-28.

There has not been great success up to this time in preventing these abuses in the private agencies; only eighteen states have any legislation for this purpose, and of these states less than half have any inspection for the purpose of enforcement of the law. The state regulations are supplemented somewhat by municipal ordinances and police control. The system of control has been especially inadequate in regard to the interstate work of such agencies; it is reported that the New York State Bureau of Industries had hundreds of such cases which required federal control.

Frances A. Kellor, Interstate Immigration, Land and Labor Problems, Survey, 29:326, Dec. 14, '12.

Consequently, it may be concluded that the private employment agencies have failed very signally in organizing the labor market, and that a general organization of the labor market, such as is desired by the students of unemployment, would be very foreign to their purpose. They are business enterprises, working for profits, and therefore have found it impossible to cooperate with other private agencies or with other types of employment agencies; on the other hand, they have been in the most aggressive competition in so far as they have been engaged in the same kind of work. They have found it profitable to specialize in a particular kind of work, and have set up various occupational, national or racial, local and other limitations; particularly they have specialized in the field of short-time employments, and have attempted to make engagements as short as possible in order to increase the frequency of the fees. Consequently, they have been centers which are distinct, and thus have divided the labor market into relatively separate parts, between which there has been little communication. They have organized certain parts of the labor market, but it has been done in such a way as to present a series of conflicting and segregated organizations, instead of the one central and all-inclusive institution in which all demands and supplies might be represented. And they have acquired, either justly or unjustly, such a reputation for fraud and dishonesty that general patronage by employers and employes is not conceivable. Moreover, the helplessness of the applicants for employment and the consequent great possibility for fraudulent and dishonest practices have convinced the students of unemployment that the general organization of the labor market can not be expected to result from the private employment agencies.

The employment agencies maintained, either formally or informally, by department stores, typewriter companies, business colleges and saloons are similar to the private agencies in that such agencies are maintained primarily for financial gain, though the gain is indirect and in the form of advertisement or increased patronage. Some of the typewriter companies and business colleges are of benefit to a particular and small group of workers, but the saloons have been subject to much criticism because of the necessity of spending considerable sums of money before positions can be secured. A strike of 7,000 grain handlers in Buffalo from February 25 to May 22, 1899, is said to have been caused principally by the fact that they were forced to secure employment through a saloon.

New York, 18th Annual Report of Bureau of Labor Statistics, 1900, p. 1003.

The cooks and waiters of Chicago made frequent complaints during the winter and spring of 1913 because they were compelled to secure their positions through four saloons, which had become recognized employment agencies, though not operating under that name.

Eight organizations of cooks and waiters in Chicago, after failing to secure relief by appeals to the inspector of private employment agencies, the mayor and the state's attorney, passed a resolution that private employment agencies of any kind be made illegal, and that the state extend

the system of public employment agencies. This resolution was passed, also, by the Chicago Federation of Labor on March 2, 1913, and turned over to the legislative committee of the Federation in order to secure the passage of such legislation.

Such agencies, operating indirectly for financial gain, are very restricted in their importance, are confined to small classes of workers and have been able to accomplish almost nothing in the general organization of the labor market. Moreover, they have made no attempt to solve the general problem of unemployment, but have merely used this condition of the workers as a means of increasing their own profits.

The newspaper "want ads" are another means of organizing the labor market. The manager of the Chicago Daily News stated in 1912: "No employment agency can do more than put the employers and employes in contact with each other, and the newspaper 'want ads' do that." It is, therefore, necessary to determine the extent to which they have succeeded in organizing the labor market, and to interpret them in connection with the general solution of the problem of unemployment.

The profits resulting from this department, both directly from the charges for insertions, and indirectly from the increased sale of the papers, are evidently the explanation for its maintenance. Consequently, co-operation with other agencies would mean the loss of those profits, and co-operation between newspapers and other employment agencies would be expected no more than it would be expected that private employment agencies would co-operate to form a central agency. In St. Louis the newspapers have looked on the public employment agency as a competitor, have charged it the highest rate for insertions, and one paper which had made a contract for about $100 worth of advertising refused to carry out the contract.

Conner, op. cit., p. 46.

Moreover, these "want ads" are confined to a relatively few occupations; a few trades, clerical positions and miscellaneous odd jobs form the largest part of the legitimate positions offered. Thus, because of the inherent opposition to co-operation with other agencies and the restricted patronage, the "want ads" have been merely another distinct center in the labor market.

These "want ads" are, also, a wasteful and expensive method of organizing the labor market in so far as they are successful. The well-known rushes for positions and the instances in which hundreds of applications are made for a single position show the overlapping and the waste of efforts. This kind of agency does not attempt to control the distribution of labor in an organized way.

The "want ads" do not discriminate adequately between positions offered, from the standpoint of the probable moral effect. Disreputable houses, which can not legally secure the assistance of private employment agencies, can secure help through the newspapers. The inspector of private employment agencies in Illinois has stated that the newspapers are more frequently offenders than the private employment agencies in assisting disreputable houses to secure help.

While a private employment agency in Chicago was being prosecuted in 1912 for sending two girls to a disreputable house, the girls were attempting to find employment. They secured a position through the columns of one of the newspapers, but the position proved to be in a more notoriously disreputable house than the first.

Moreover, the "want ads" do not furnish definite and accurate information in regard to the demand for labor. The "want ads" contain many misleading, vague and "fake" advertisements; a large proportion of the "want ads" in the newspapers are in either an open or a concealed form, merely advertisements of civil service instruction, offers of wares concealed as samples or outfits, "work to be done at home," with a prerequisite that the raw materials be purchased from the advertisers, advertisements for solicitors, canvassers or others who are not offered work for wages but a commission to be paid after the work is done.

Devine, op. cit., pp. 130-58.

It was found that on the average 53.7 per cent of the "want ads" in two of the large newspapers of New York were "fake ads" and the proportion of such advertisements increased as the amount of unemployment increased, and that in the depression of 1908 more than 50 per cent were of this nature.

Devine, op. cit., pp. 135-42.

The employment agencies maintained either formally or informally by trade unions have served to organize the market still further,

On trade union employment agencies, see the constitutions and regular publications of the various national organizations; Devine, op. cit., pp. 159-80; United States, Report of Industrial Commission, 1901, Vol. XVII, pp. lxi and 1-324; E. Stewart, Documentary History of the Early Organizations of Printers, Bulletin U. S. Bureau of Labor, No. 61, pp. 857-1033, Nov., '05; Chicago City Club, Sub-Committee on Labor, Unpublished Report on Trade Union Employment Agencies, 1911.

and the Chicago Federation of Labor, in a resolution passed in 1911, claimed that the trade union employment agencies were "the most extensive and efficient employment agencies in the city." But the trade unions have shown no indication of a purpose to solve the general problem of unemployment in the establishment of their offices. They are interested primarily or exclusively in securing work for their members, and thus of keeping the non-members unemployed; only in the weaker unions, except in emergencies, are non-members assisted in securing positions. The Brewery Workers' Union provides that a local union which furnishes non-union help to employers shall be fined and may be suspended; if there are no unemployed members in the locality it is necessary for the union to secure union members from some other locality.

Constitution, Art. ix, Sec. 18.

As early as 1802 some of the unions required their officers, and within a few years their members also, to take an oath to procure employment for union members in preference to non-members.

Stewart, loc. cit., pp. 867, 943.

and very many of the unions have constitutional provisions that the officials and members must give this same preference to the members of the union, though in actual practice many unions furnish non-members to the employers when members are not available.

Sargent, loc. cit., p. 61.

Some of the weaker unions, however, permit non-union persons to use the trade union employment agencies on an equal basis with members; out of thirty-four unions investigated in New York City, four of the weakest thus permitted the use of their employment agencies by persons not members of the union.

Devine, op. cit., pp. 162, 172-73, 177.

Consequently each union maintains an agency for a very restricted group of workers, and between these agencies there is practically no co-operation; instead of one central agency for the entire labor market, the trade unions have built up a series of distinct and segregated agencies. Not only do these agencies ordinarily restrict their services to their own members, but they are effective only in placing their members in their own trade. They do not attempt, and it seems to be contrary to their general policy to increase occupational mobility.

So long as the trade unions are confined almost entirely to the skilled trades, it is evident that they do not succeed in organizing the general labor market. Certain efforts have been made, however, toward extending unionism to the unskilled laborers. President Gompers, in his report to the Convention of 1912, urged the formation under the American Federation of Labor of a Department of Migratory Labor, and the organization, under its control, of a system of employment agencies.

American Federationist, 19:43-44, Jan., '12.

But it is evident that at the present time the trade unions have had very little success and, in fact, have made very few efforts to extend their movement to the unskilled laborers. Consequently whatever success they have had in organizing the labor market has been confined to a part of the labor market, and has not included the unskilled and migratory workers.

Even for the portion of the labor market in which the trade unions have been established, however, the organization has not been developed far, for the employment agency does not appear to be an essential part of the trade union program, in the sense that it is a factor which receives emphasis. The trade unions place much more emphasis on policies which are intended, among other things, to increase the amount of work to be done, or to decrease the supply of labor, and thus to decrease unemployment. Consequently the methods of the employment agency have not been developed, but are generally exceedingly haphazard,

Devine, op. cit., pp. 21, 159; Chicago City Club, Report of Sub-Committee of Committee on Labor.

and some of the secretaries have admitted the entire inadequacy of their methods.

Devine, op. cit., p. 180.

Only in those unions which have such a monopoly on the trade that the employers must send to them for help is there an organized method of securing information in regard to positions. In other unions dependence is placed on the information secured by business agents, by requests of employers, by informal statements of members in the weekly meetings or outside of such meetings and by formal reports in the weekly meetings. There is seldom any adequate registration of the unemployed members; some unions keep an out-of-work book, in which the members may register, and the members are then chosen from this list in order of seniority, priority of application, length of time out of work or fitness for work; a few unions go so far as to send telegrams to the unemployed members, announcing positions which are accessible.

Devine, op. cit., p. 175.

Other unions keep no such lists, but announcements of positions are placed on the bulletin boards and any member who sees them may go for the positions, thus causing duplication of efforts. Thus there is no well organized method of learning of positions, selection of applicants or of keeping records. In addition the business agent has a great deal of power, which may be used arbitrarily in his selection of applicants for positions; the members are in the dark, while he knows both the members who are unemployed and the positions that are available.

Chicago City Club, op. cit.

There is considerable diversity in the success of these agencies in securing work for their own members. Their strength with reference to the labor market as a whole may be indicated by the fact that of 759 employers in New York City only 10 (1.3 per cent) used such agencies exclusively in securing help, and only 18 (2.4 per cent) used such agencies in connection with personal applications at their plants.

New York, Report of Commission on Unemployment, 1911, p. 161.

Most of the local unions in the garment trade in New York City admitted that they could do very little for their members in this way,

Devine, op. cit., p. 160.

and the painters' and decorators' union, though in a trade in which engagements are characteristically short, secures work for only about 10 per cent of its members.

Devine, op. cit., pp. 166-67.

The firemen's union, on the other hand, secured work for from 93 to 97 per cent of its members in the year 1907.

Devine, op. cit., pp. 160, 177.

Some of the strong unions do not permit their members to make individual applications for work.

United States, Report of Industrial Commission, 1901, XVII:lxi-lxii.

Thus the efficiency of the employment agency seems to depend primarily on the strength of the union, and to be very nearly in direct correlation with the extent to which the craft is controlled. The cordiality of relations with employers is a second factor in their efficiency; unless employers will co-operate, there is no possibility of the success of such agencies; such co-operation might conceivably result when the relationship between employers and the union is friendly, even though the union was weak. If the relationship is not cordial, membership in a weak union is a positive detriment to the securing of employment. The energy and ability of the business agent is a third factor in the efficiency of the employment agencies; in Chicago some unions keep their members steadily employed on this account, while other unions in the same craft have unemployed members.

Chicago City Club, op. cit. I am indebted to this report, also, for the general interpretation of the efficiency of trade union employment agencies.

Thus even for the workers who are members of unions there is no great and general success in the organization of the labor market. The trade union employment agency comes very far from organizing the market in the way the students of unemployment demand that it should be organized in order to prevent unemployment.

The trade union employment agencies have confined their efforts almost entirely to the locality in which they are organized,

Devine, op. cit., p. 164; Chicago City Club, op. cit.

and some unions have reported that they would welcome an agency which could do the inter-communal work.

Devine, op. cit., pp. 163, 171.

Information in regard to demands for labor in this wider territory is secured in some unions through weekly or monthly publications, but the information is seldom specific or concrete; information is secured, also, by reports from traveling members, correspondence of the secretaries, and from the requests of other unions and of employers; but this information, also, is generally haphazard and vague. Membership in the union is frequently taken as sufficient guarantee to justify the advancement from the union treasury of traveling expenses to unemployed members; some unions report that there is no difficulty in securing the payment of these loans, while in other unions not more than half of the loans are paid.

Statistics on this point in the American Flint Glass Workers Union have been published for the period from 1903 to 1913; only about half of the amount advanced by the union in that time for car fare of members has been paid. American Flint, 4:8-9, Oct., '13.

Thus it may be concluded that the trade union employment agencies have failed to organize the labor market in the communities in which they are located and have done almost nothing in securing an inter-communal organization. The general solution of the problem of unemployment is not their objective; consequently they have restricted their efforts in such ways as to build up distinct centers, between which there is no co-operation, and which are in competition with the other kinds of agencies in so far as these other agencies attempt to deal in the same kind of labor. Moreover, these centers, segregated as they are, are not available for large classes of the workers because of non-membership in the unions; thus the unskilled workers, for whom institutional assistance is most necessary, are injured by these agencies and their unemployment is increased.

The employers, also, have established and maintained agencies, but the object of such agencies is not the solution of the problem of unemployment; it is rather to assist the employers in securing and controlling employes.

There are various types of agencies under the control of employers. Many employers maintain employment agencies in which they hire workers for their own establishments; but evidently such agencies mean merely that the work of hiring workers for the establishment is systematized, and on that account they hardly come within the scope of employment agencies as ordinarily understood. Some of the railroads have assisted farmers in securing workers for the harvests, using their local representatives as employment agents.

F. Andrews, Railroads and Farming, U. S. Dept. of Agriculture, Bureau of Statistics, Bulletin 100:32-33, Oct. 29, '12.

Some of the women's leagues and guilds, also co-operate to secure domestic servants for their own use, and some of them extend these efforts to assist other householders.

Kellor, op. cit., pp. 154-59.

But the only important employers' agencies are those maintained by employers' associations.

The purpose of the agencies maintained by employers' associations is avowedly to secure help without dependence on trade unions, and, in addition, most of the associations which support agencies are anti-union and open shop organizations. Consequently when these agencies attempt to secure permanent records of large numbers of workers, as in the Detroit Employers' Association Agency, which has records of over 100,000 workers, the unions regard them as merely systematized blacklists. The officials of such associations generally prefer to call them white-lists,

Adams and Sumner, Labor Problems, p. 283.

though some of the officials have referred to them as black-lists.

Quoted from W. E. Walling by H. T. Lewis, Journ. Pol. Ec., 20:934, 1912.

The constitutions of these associations generally state that the agency is to be an impartial and disinterested institution, and that no discriminations are to be made against applicants because of membership or non-membership in unions.

Several such constitutions are given in Massachusetts Labor Bulletin, March, 1904.

But much doubt is thrown on these statements by such facts as that the Boston Employers' Association, which has as one of its objects the maintenance of the open shop, requires applicants at its agency to state whether they are members of unions;

Sargent, loc. cit., p. 78.

that the members of such associations send to the agency a statement of the reasons for which employes are discharged, and prominence in the union or in an agitation for union principles would undoubtedly be deemed sufficient cause for discharge; that a legislative committee in Illinois appointed to investigate the garment workers' strike in Chicago in 1911 found that applicants to the bureaus maintained by the National Wholesale Tailors' Association and the Wholesale Clothiers' Association in Chicago could not secure positions if they had been discharged by other members of the Association, and that these agencies had more to do, in the judgment of this committee, with causing the discontent of the garment workers than all other causes combined, and that it would, therefore, be advisable to use legal power to dissolve such agencies;

Illinois, Report of Committee Appointed by Senate Resolution No. 15, Jan. 15, 1911, to Investigate the Garment Workers' Strike in Chicago, pp. 5-7.

and that the Lake Carriers' Association, according to the statements of union officials, after establishing a system of agencies under their own control, in which they assured the public that there would be no discrimination against union members, began to demand that union members hand over their union

cards; when this was met by the issuance of duplicate cards by the union so that the members could surrender their cards without inconvenience, the Association compelled their employes to sign one of the two following statements: "I am a union man" or "I am a non-union man"; the union instructed its members to sign the latter statement; then the Carriers required their employes to swear that they would renounce their allegiance to the union and would never join a union as long as they worked on the vessels of the Great Lakes for a living.

Victor Olander, in 7th Biennial Report of Indiana Labor Commission, 1909-10, pp. 9-37.

Such facts would indicate that the agencies of this type are necessarily confined to non-union workers, or those workers who, if union members, are willing to conceal the fact. The primary object of such agencies appears to be to sift the applicants for employment, not to decrease the amount of unemployment.

Moreover, the agencies maintained by employers' associations generally restrict their efforts to the assistance of the members of the association, though in some cases they assist other employers. But these agencies do not form the only channel through which employes are secured by the members of an association, for of the employes hired by members of the association, only 52.9 per cent were secured by the agency of the Detroit Employers' Association in 1911, 41.1 per cent by the Providence Metal Trades Association, and 39.8 per cent by the agency maintained jointly by the Indianapolis Employers' Association and the Indianapolis Metal Trades Association.

Sargent, op. cit., pp. 44, 87, 120.

Thus these agencies fail to prevent the individual applications at the plants of the members.

Some of these agencies operate with little variation in the amount of business, others, though open continuously, are practically inoperative except during strikes, while others are open only during strikes. Moreover, these agencies sometimes hire workers to take the places of strikers without revealing to them the nature of the positions that are offered. Consequently the workers may be sent to distant communities, and, when they learn the nature of the positions, be left stranded if they refuse to accept them, or even be confined to the plants by peonage.

United States, Peonage in Western Pennsylvania, Hearings before the Committee on Labor of the House of Representatives, 62d Congress, 1st Session; Minnesota, 12th Biennial Report of Bureau of Labor, 1909-10, pp. 29-50.

Most of these agencies confine their work to the local community, but some of the national associations have agencies which are of assistance, so far as possible, to any local association; for instance, the National Founders' Association in Chicago reports that it sends about 95 per cent of the applicants who are accepted out of the city of Chicago. But there seems to be little extensive work in inter-local placement except during strikes. Such agencies are certainly not organized with a view to the continuous employment of the workers, except in so far as the member of the association is concerned.

Consequently it may be concluded that the agencies under the control of the employers' association have no purpose that would involve a general solution of the problem of unemployment; they have, rather, the purpose of assisting the members of the association in securing workers. The workers for whom they are of value are restricted not only to those trades in which the association is formed, but also by certain principles of the employers with reference to trade unionism. The agency does not attempt to become a center for an entire trade, but only for the members of the association; and even in becoming such a center, it is not the only method used by the members to secure their employes; thus the agency does not control the distribution of labor even to the members of the association. These

agencies do not operate continuously in some cases, and in many cases are merely a means of securing strike-breakers. As a class these agencies are limited in their activities to one community. Consequently they have failed to set up a central agency in which the entire labor market can find expression, but they have added to the series of distinct and non-co-operating agencies; they do not secure complete and continuous information in regard either to the demand for labor or the supply of labor in general or in any particular occupation or trade, or in any one community, to say nothing of wider territory.

These various kinds of non-public employment agencies, therefore, have failed to organize the labor market in accordance with the ideal posited by the students of unemployment. They have set up distinct centers, for particular classes of employers or employes, with local, occupational, racial and other limitations. operating on a small scale, not at all commensurate with modern large-scale production. Between these centers there is little co-operation, and there seems to be no possibility of securing such co-operation, because of the various and conflicting purposes and ideals of those in control; consequently no one of these types of agencies can serve as a center into which the others can pour their surplus demands or supplies. None of these agencies is attempting to deal with the unemployment situation as a whole; all are interested in the unemployed individual. But instead of setting up a central agency, they are often in fierce competition which would make combined action impossible. The union agencies increase the unemployment of the persons not members; the agencies of employers' associations increase the unemployment of those deemed undesirable; both of these agencies are for the purpose of sifting the employes rather than of preventing unemployment. In other agencies, also, there is a tendency to increase unemployment, by reason of the fact that they specialize in casual occupations and short-time positions; thus it becomes easy to get into such occupations but extremely difficult to get out, and this difficulty is increased by the break-down of habits of industry while engaged in casual occupations. The records of these agencies in general are inaccurate and, even if they could be thrown together, would not be adequate to furnish comprehensive and definite information that would guide the workers in their search for employment. The methods of operation are generally unsystematic, and involve much waste of time and energy of the unemployed, and frequently are such as to subject the unemployed to many kinds of abuses. Some writers have stated that the existing agencies are adequate within any one city for the purposes of that city,

Devine, op. cit., pp. 7-9.

but there seems to be a very general consensus of opinion that the existing agencies fail utterly in adjusting demand and supply over a large area.

CHAPTER IV.

FUNCTIONING OF PUBLIC EMPLOYMENT AGENCIES IN THE UNITED STATES.

The inadequacy of the private employment agencies emphasizes the need of organization of the labor market, and thus increases the responsibility of the public employment agencies. But what probability is there that this assigned function can be adequately performed by the public agencies? The first step in answering this question is to learn what degree of success the public agencies have had and to analyze the causes of success or failure.

On public employment agencies in general, see, in addition to the reports of the various agencies, the excellent summaries by J. E. Conner, Free Employment Offices in the United States, Bulletin of United States Bureau of Labor, No. 68, pp. 1-115, Jan., '07; Frank B.

Sargent, Statistics of Unemployment and the Work of Employment Offices, Bulletin of United States Bureau of Labor, No. 109, pp. 34-140, Oct. 9, '12.

Aside from places fixed in the markets where employers and employees might meet to make contracts of employment,

Such an informal provision for assisting the unemployed was made in New York City by an ordinance of 1834. United States, Report on Condition of Woman and Child Wage-Earners in the United States, Vol. IX, p. 25, foot note.

there were no public employment agencies in the United States previous to 1890, and not even an agitation for such provision before 1887. In this earlier period studies were made of unemployment and of industrial depressions, to be sure,

Hewitt, Report on the Causes of the General Depression in Labor and Business, 45th Congress, 3rd Session, H. R. Doc. No. 29, 1879; Blair, Committee Report of 1883 on Labor and Capital; United States, 1st Annual Report of Commissioner of Labor, on Industrial Depressions, 1886; State Censuses of New York and Massachusetts, 1885; Report of Special Committee on Labor in Illinois House of Representatives, 1879.

but the proposals for remedies centered on such things as currency, tariff, land laws, hours of labor and abolition of machinery. The general tendency of these remedies was to increase the total amount of work to be done in the country, or to decrease the output of the individual workman. The first definite recorded agitation for public employment agencies was made in Colorado in 1887, and a bill for that purpose was introduced into the House of Representatives of Colorado in 1889, but failed to become a law.

Colorado, House Journal, 1889, p. 388; Colorado, 1st Biennial Report of Bureau of Labor Statistics, 1887-88, pp. 368-69; Colorado, 3rd Biennial Report of Bureau of Labor Statistics, 1891-92, pp. 162-63.

The first public agencies actually established were those in Ohio in 1890, in the control of the Bureau of Labor Statistics. Since 1890 seventy-nine public employment agencies have been started, under municipal, state or federal control;

This does not include a number of agencies in Kansas and Wisconsin which, without formal organization, have assisted in securing harvest-hands.

of these, sixty-seven are in operation at the present time, located in twenty-three different states. The state agencies are generally in control of the bureaus of labor statistics, departments of labor or similar bodies, though Wisconsin has had and New York still has public employment agencies controlled by the state department of agriculture. The municipal offices are managed and controlled directly by municipal councils, or indirectly by boards. The federal offices are maintained by the Bureau of Immigration of the Department of Commerce and Labor.

The following tables show the development and present distribution of the state free employment agencies:

State Employment Agencies: Date of Passage of First Acts.

State.	Date of Passage of First Acts.
Ohio	1890
Montana (a)	1895
New York (b)	1896
Nebraska	1897
Illinois	1899
Missouri	1899
Connecticut	1901
Kansas (c)	1901
West Virginia	1901
Wisconsin	1901
Maryland	1902
Michigan	1905
Minnesota	1905
New York (d)	1905
Massachusetts	1906
Colorado	1907
Rhode Island	1908
Oklahoma	1908
Indiana	1909

(a) Law repealed and agency discontinued in 1897.
(b) Law repealed and agency discontinued in 1906.
(c) The Kansas system is a combination of state and municipal control.
(d) Under control of state department of agriculture.

These acts, as first passed, have been enlarged and modified by amendments, and the appropriation of additional funds has made possible the increase in the number of agencies in several of the states. The following table shows the date of establishment of each of the state agencies.

State Employment Agencies: Cities and States of Location, and Date of Establishment of the Agency.

State.	City.	Date of Establishment.
Ohio	Cincinnati	1890
	Cleveland	1890
	Columbus	1890
	Dayton	1890
	Toledo	1890
Montana (a)	Helena (a)	1895
New York (b)	New York	1896
Nebraska	Lincoln	1897
Illinois	Chicago, 3 offices	1899
	Peoria	1901
	East St. Louis	1907
	Springfield	1909
Missouri	St. Louis	1899
	Kansas City	1899
	St. Joseph	1901
Connecticut	Bridgeport	1901
	Hartford	1901
	New Haven	1901
	Norwich	1901
	Waterbury	1901
Kansas (c)	Topeka	1901
West Virginia	Wheeling	1901
Wisconsin	Milwaukee	1901
	Superior	1903
	La Crosse	1904
	Oshkosh	1904
Maryland	Baltimore	1902
Michigan	Detroit	1905
	Grand Rapids	1905
	Kalamazoo	1907
	Saginaw	1907
	Jackson	1908
Minnesota	Minneapolis	1905
	Duluth	1907
	St. Paul	1907

State Employment Agencies: Cities and States of Location, and Date of Establishment of the Agency—Cont'd

State.	City.	Date of Establishment.
New York (d)	New York	1905
Massachusetts	Boston	1906
	Fall River	1907
	Springfield	1907
Colorado	Colorado Springs	1907
	Denver	1907
	Pueblo	1907
Rhode Island	Providence	1908
Oklahoma	Oklahoma City (e)	1908
	Muskogee	1909
	Enid	1910
Indiana	Indianapolis	1909
	Evansville	1911
	Fort Wayne	1911
	South Bend	1911
	Terre Haute	1911

(a) Agency discontinued in 1897 by repeal of law.
(b) Agency discontinued in 1906 by repeal of law.
(c) According to the reports there is but one agency in the state at present, though in previous years there have been several.
(d) The first office in Oklahoma was located in Guthrie from July 1, 1908 to September 18, 1908, when it was moved to Oklahoma City.

This table shows that state employment agencies, have been established in eighteen states by legislative enactments, and that such agencies are now in operation in seventeen states, with a total of fifty-one employment agencies now active.

In addition, public employment agencies have been opened in eight states by state officials, without specific legislative enactment; they were controlled by the state bureaus of labor statistics, except in Wisconsin, where they were maintained by the department of agriculture. The following table shows the dates at which such offices began operations.

State Employment Agencies Not Specifically Authorized.

State.	Date of Beginning Operations.
North Carolina	1893
Iowa	1895
California	1895
Maryland	1896
Missouri	1897
West Virginia	1897
Michigan—two offices	1901
Wisconsin	1907

Most of these offices were in operation for only a few months; none of them are in existence, as such, at the present time. In Missouri and West Virginia they received a legal sanction and became authorized agencies. In Maryland and Michigan they were discontinued after a short period of activity and were revived later by legal enactment. In North Carolina, Iowa and California they were entirely discontinued. In Wisconsin the work was turned over to the county clerks in 1910.

Sixteen municipal employment agencies have been established, of which thirteen are still in existence as municipal agencies, two have become state agencies and one has been abolished. The following table shows the dates of establishment of these municipal agencies.

Municipal Employment Agencies: City and Date of Establishment.

City.	Date of Establishment.
Los Angeles, Calif. (a)	1893
Seattle, Wash.	1894
Superior, Wis. (b)	1899
Duluth, Minn. (c)	1901
Sacramento, Calif. (d)	1902
Butte, Mont.	1902
Tacoma, Wash.	1904
Great Falls, Mont.	1905
Spokane, Wash.	1905
Everett, Wash.	1908
Wellesley, Mass.	1908
Newark, N. J.	1909
Portland, Ore.	1909
Kansas City, Mo.	1910
Schenectady, N. Y.	1912
Berkeley, Calif.	1913

(a) Under joint control of city and county 1893-1905; of city 1905-10; of United Charities 1910-13; in 1913 a municipal charities commission was appointed, one of whose duties was the maintenance of such a municipal employment agency.
(b) Became a state office in 1901.
(c) Became a state office in 1907.
(d) Abolished after a few years, the exact date not being ascertainable.

The Division of Information of the Bureau of Immigration was created in 1907, and under its control employment agencies have been opened in New York in 1907, in Baltimore in 1908, and Galveston in 1909; an office was opened for a short time in Chicago but was soon abandoned.

There is a bill in the United States Congress at present to establish a bureau of the unemployed and to maintain under its control federal employment agencies. J. Eads How is reported to be sponsor for it.

The method used by these agencies to show their efficiency is to present the number of applications for employment and for help, and the number of positions filled. The following table contains the totals for each agency for the last year for which reports are accessible.

These reports are for years as follows: Municipal agency in Everett and Spokane, 1909; municipal agencies in Butte, Great Falls, Tacoma, Seattle and Portland for 1910; state agencies of Illinois, Ohio, Maryland, Massachusetts, New York and Oklahoma, and municipal agencies in Newark and Kansas City for 1911; state agencies of Indiana, Connecticut, Minnesota, Missouri, Colorado, Michigan, Kansas, Nebraska and Rhole Island, and the federal agencies for 1912; municipal agency in Berkeley for 1913.

Public Employment Agencies: Applications for Employment and for Help and Positions Secured.

Kind of Control and Location of Offices.	Applications for		Positions Secured.
	Employment.	Help.	
State Employment Agencies	.....	.....	343,999
Colorado	26,835	23,446	18,426
Denver	9,580	5,296	4,913
Colorado Springs	7,176	7,183	6,439
Pueblo	10,079	10,967	7,074
Connecticut	14,146	10,914	8,914
Bridgeport	3,773	3,382	2,725
Hartford	3,341	2,325	1,854
New Haven	3,584	2,757	1,970
Norwich	754	627	500
Waterbury	2,694	1,823	1,555

Public Employment Agencies: Applications for Employment and for Help and Positions Secured—Cont'd

Kind of Control and Location of Offices.	Applications for		Positions Secured.
	Employment.	Help.	
Illinois	76,127	68,228	59,827
Chicago, South Side	13,931	17,363	13,037
Chicago, North Side	22,835	11,428	10,594
Chicago, West Side	12,734	12,177	10,946
Peoria	11,630	12,046	11,197
East St. Louis	8,675	8,660	8,021
Springfield	6,322	6,554	6,032
Indiana	29,797	28,596	20,483
Indianapolis	17,560	15,329	11,153
Evansville	1,665	2,403	1,445
Fort Wayne	3,378	3,339	2,509
Terre Haute	4,879	4,786	3,834
South Bend	2,315	2,739	1,542
Kansas (a)	5,025	20,437	3,284
Maryland	780	245	64
Massachusetts	54,259	30,632	21,158
Boston	40,114	22,816	15,806
Fall River	3,582	1,640	1,042
Springfield	10,563	6,176	4,310
Michigan	62,388	61,162	54,205
Detroit	34,869	37,176	34,869
Grand Rapids	14,452	13,847	11,665
Jackson	5,128	4,371	3,189
Kalamazoo	4,190	3,070	2,752
Saginaw	3,749	2,698	1,730
Minnesota	53,420	55,323	53,370
Duluth	13,230	14,078	13,230
Minneapolis	24,716	25,771	24,666
St. Paul	15,474	15,474	15,474
Missouri	18,899	33,279	15,165
Kansas City	7,024	21,923	5,656
St. Louis	8,361	7,472	6,407
St. Joseph	3,514	3,884	3,102
Nebraska	.....	.....	647 (b)
New York, Dept. of Ag	.....	.....	4,658
Ohio	75,034	50,125	47,906
Cincinnati	11,213	10,808	10,269
Cleveland	27,233	9,603	9,377
Columbus	15,225	10,957	10,957
Dayton	10,731	11,595	10,403
Toledo	10,632	7,162	6,900
Oklahoma	53,870	22,841	14,942
Enid	3,954	3,013	2,735
Muskogee	15	2,907	3,131
Oklahoma City	46,901	16,921	9,076
Rhode Island	3,539	.....	2,087
West Virginia	2,205	2,539	1,936
Wisconsin (c)	.....	.....	16,296
La Crosse	.....	.....	2,138
Milwaukee	.....	.....	5,235
Oshkosh	.....	.....	1,936
Superior	.....	.....	6,987
Municipal Employment Agencies	.....	.....	108,676
Berkeley	.....	.....	481 (d)
Kansas City	.....	.....	13,835
Butte	7,244	5,262	4,388
Great Falls	605	143	118
Newark	6,210	.....	2,755
Portland	.....	.....	28,214
Everett	.....	.....	4,450
Seattle	.....	22,803 (c)	38,846
Spokane	.....	.....	5,179
Tacoma	.....	.....	10,410
Federal Agencies—three	.....	.....	5,807
Total United States	.....	.....	467,751

(a) Exclusive of work of offices outside of state, some of which are included in this report.
(b) For eighteen months.
(c) For eight months.
(d) For three months.

Before these figures can be taken as an indication of the efficiency of the public employment agencies it is necessary to inquire more specifically into the methods by which they have been secured and into their deeper meaning. Such an inquiry reveals very great inaccuracies in these reports.

The number of positions reported filled is deficient, first, in not including all positions filled through the assistance of the agencies, and, secondly, in including many positions which are not actually filled. The first error seems, however, to be very slight, while the latter is very large. The failure to include all the work done by the agency is due to the fact that applications are sometimes made for large numbers of casual workers, and the information is merely distributed by the public agency without attempt to keep account of the number of persons who are assisted by such information, and also to the fact that in some states, such as Kansas, the demands for labor are published in the newspapers and, though these published accounts are of value in the distribution of labor, they make it impossible to measure the efficiency of the agencies.

Colorado, 12th Biennial Report of Bureau of Labor Statistics, 1909-10, p. 194; Kansas, 12th Annual Report of Director of Free Employment Bureau, 1912, p. 9; Sargent, loc. cit., p. 82.

On the other hand the reported number of positions filled is in almost all offices very much larger than the number of positions actually filled, or, at least, very many positions which are reported filled are found on investigation not to have been filled. When an applicant for employment is sent to a position, there is no direct and immediate evidence that the position has been filled; moreover the process of verification is difficult and expensive. The laws of Minnesota, Missouri, Montana, Nebraska, New York and Rhode Island have provided that the employer must notify the employment agency within a specified time whether the applicant who was sent to him was hired, on penalty, for failure to do so, of losing the right to future services of the public employment agency; in Indiana a fine of $100 is imposed, according to the statutes, on employers who fail to give such reports to the public employment agencies. These laws are not enforced, however, and the general practice is to send with the applicant for employment a card which is to be filled out and returned by the employer to the public employment agency. Some agencies have reported that the employers in about 75 per cent of the cases return such information, others that about 40 per cent, and others that none do so. Consequently it has been necessary to supplement these cards by telephone messages, mail or messengers in order to secure verification. But this verification is difficult, the facilities are generally inadequate and the result has been in most agencies that every person who is sent from the agency to a position reported vacant is recorded as securing the position unless definite information to the contrary is received,

Conner, loc. cit., pp. 13, 44, 36; Sargent, loc. cit., p. 93; Kansas, 6th Annual Report of Director of Free Employment Bureau, 1906, p. 3.

and since the agencies succeed in verifying only a part of the recorded placements, there is a considerable discrepancy.

Conner, loc. cit., pp. 13, 23, 45, 61, 80.

It is on this account that the records of some agencies show that more positions have been secured than there were applications for help.

Conner, loc. cit., p. 32; Maryland, 13th Annual Report of Bureau of Statistics, 1904, p. 23.

and that there is in many reports an exact equivalence of the number of positions reported filled and the number of demands for help.

Conner, loc. cit., pp. 20, 44-45; Minnesota, 13th Biennial Report of Bureau of Labor, 1911-12, pp. 365-67; Ohio, 34th Annual Report of Bureau of Labor Statistics, 1910, pp. 464 ff.; Rhode Island, 25th Annual Report of Bureau of Industrial Statistics, 1911, p. 135; Wisconsin, 12th Biennial Report of Bureau of Labor, 1905-06, pp. 1348 ff.

This discrepancy between positions reported filled and positions actually filled is due to the failure of some applicants for employment to go to the position offered—and this is one cause of complaint, even by the private employment agencies, after registration fees have been paid—to the failure of the employer and employee to make a satisfactory bargain, or to the filling of the position in some other way. In Chicago some of the applicants for employment secure cards from the state agency, referring them to positions, and then use those cards as means of begging, nominally for car fare to enable them to reach the place of work. But some agencies have made claims that they record no position as filled until they have received definite information of that fact. It has been generally acknowledged that the Massachusetts state employment agencies have had, in this respect, by far the most accurate methods of any agencies in the country,

New York, Report of Commission on Unemployment, 1911, p. 118; Sargent, loc. cit., p. 64.

and the superintendents maintain that they are superior to other agencies in the accuracy of their records, and that their reports of positions filled are safely within the facts and accurate so far as they go.

Massachusetts, 1st Annual Report of Free Employment Offices, 1907, p. 7.

The Massachusetts Commission to Investigate Employment Offices, in order to test the accuracy of the reports of efficiency, secured from the superintendents the names of workers who were reported as securing positions in one month, and two or three months later made inquiries in regard to them of the employers who were reported as having hired them. This Commission found that from 14 to 36 per cent of the persons reported as securing employment were not hired. The results appear in the following table:

Massachusetts Employment Agencies: Percentages of Applicants for Employment Reported Hired Who Were Actually Hired.

Agency.	Number of Applicants Reported Hired Who Were Heard From.	Percent of Applicants Who Were:				
		Hired.	Not Hired			
			Total.	Did Not Apply.	Not Remembered to Have Applied.	Applied But Not Hired.
Boston	421	64.2%	35.8%	14.2%	19.7%	1.9%
Springfield	189	80.4%	19.6%	1.1%	14.8%	3.7%
Fall River ...	56	85.7%	14.3%	.....	10.7%	3.6%

Massachusetts, Report of Commission to Investigate Employment Offices, 1911, p. 75.

If the findings of the Commissioner were correct,

> This Commission made personal inquiries of the employers in Boston, and inquiries by correspondence of the employers in the other cities. The examination was made in Boston two months after the month in which the positions were reported filled, and in Springfield and Fall River three months after the positions were reported filled. There is no statement in the report of the Commission in regard to the accuracy with which employers made their replies.

it is very certain that the reports of the agencies in other states would show a very much greater error than this. It is safe, at least, to conclude that the agencies have reported very many positions as filled which have not been filled, and that the reported efficiency of these offices has been very much exaggerated.

But even if these reports of the number of positions filled were accurate, they would not show the efficiency of the agencies. The absolute number of positions secured is in itself meaningless, and comes to have meaning only when thrown into relation to the amount of unemployment and the demand for labor.

Some of the superintendents have stated that the absolute number of positions secured is the criterion of the efficiency of the agency. Massachusetts, 5th Annual Report of Free Employment Offices, 1911, p. 8; Minnesota, 12th Biennial Report of Bureau of Labor, 1909-10, p. 570.

The realization of the necessity of relating the number of positions secured to other factors of the situation has led most agencies to give, also, the number of applications for help and for employment.

The records of applications for help are much more accurate than the records of positions filled, and may generally be taken as a relatively accurate representation of the demands made by employers on such agencies. It is evident that much care in regard to this item is necessary in order to conduct the business of the agencies, for unless an accurate record of the demands were kept, it would be impossible to maintain the offices. There is, however, some doubt as to the accuracy with which the requests for help represent the actual needs of the employers; it is reported that many employers ask for two or three times as many workers as are desired for employment, in order to have an opportunity to make selections. Consequently this practice, in so far as carried on, vitiates the records from the standpoint of the accurate representation of the actual needs of industry.

Massachusetts, 3d Annual Report of Free Employment Offices, 1909, p. 3.

The records of the number of applications for employment are very deficient from the standpoint of a representation of the extent of unemployment. The superintendents generally register only those persons, and hence give only those in their reports, for whom positions are at the time available. There is no absolute refusal to register applicants, but there is, on the other hand, no incentive for the applicants to register. Many of the superintendents have stated that this is their method and have defended it on the ground that registration of all applicants would be impossible on the appropriations, since many persons come several times a day looking for employment, and that it would be comparatively valueless, even if possible.

Illinois, 10th Annual Report of Free Employment Offices, 1908, pp. 83, 89; Michigan, 23rd Annual Report of Bureau of Labor Statistics, 1906, p. 300; Colorado, 12th Biennial Report of Bureau of Labor Statistics, 1909-10, p. 194; Conner, loc. cit., pp. 12, 22, 71, 72, 78, 80; Sargent, loc. cit., pp. 86, 93, 123.

To obviate this difficulty some of the agencies have set a limit of thirty days within which the registration is in force, unless the applicant secures employment before the end of that period.

See the free employment agency laws of Missouri, Minnesota and Rhode Island. This is the practice, also, in some other states in which the laws do not specify that it shall be done.

In some other states there has been an attempt to correct this error by counting the number of persons who come into the office without registering, but this is entirely inadequate since it is based merely on the memory of the superintendent. In Illinois more detailed and pertinent information is secured from the applicants who "decline to register" than from those who register, and the number of such persons is found to be larger than the number of persons who register.

Illinois, 13th Annual Report of Free Employment Offices, 1911, pp. 13, 28.

Because of the failure to record those who are seeking employment, but for whom the agency has no work to offer, there is a statistical anomaly that the number of applications for employment decreases in years of depression and in months of slight business activity, when it would be expected that the number of applications would increase.

Illinois, 10th Annual Report of Free Employment Offices, 1908, p. 1.

Consequently the number of applications for employment has an inverse ratio to the actual amount of unemployment. When this error is taken in connection with the failure to verify the number of positions filled, the number of positions reported filled becomes identical with the reported number of applications for employment. This identity is possible only when the agencies regard as applicants for employment only those for whom positions are accessible, and at the same time record as positions filled all positions to which applicants are sent. There is still another inaccuracy in the reported number of applications for employment in Chicago, where there are three state agencies; an applicant may be recorded at the same time in all three agencies as an applicant for employment. This error is inconsiderable, however, since the offices do not ordinarily register persons for whom work is not immediately accessible.

Moreover, the number of applications for employment is not an adequate test of the extent of unemployment, because there is no indication in the reports in regard to whether applicants for employment are employed or unemployed at the time of registration. The only exception to this is one of the Chicago agencies which takes such information from those reported as refusing to register. This shows that out of 11,835 persons reported as refusing to register for employment in this agency in 1911, 68 were employed at the time of application.

Illinois, 13th Annual Report of Free Employment Offices, 1911, p. 13.

The number of persons employed at the time of registration is, however, presumably small, and some superintendents have raised objections to assisting such persons at all.

Illinois, 9th Annual Report of Free Employment Offices, 1907, p. 71.

Because of these inadequacies in the reported number of applications for employment and the difficulties in securing accurate and pertinent statistics for this purpose, some of the agencies do not make reports of the number of applications for employment. The only value of the reports as ordinarily given is to show a high percentage of applicants who are assisted in securing employment, and the practice seems to be retained only in order to make as good reports as possible. It is strange, however, that the Wisconsin law, which was repealed in 1911, should have put a premium on this padding of reports by specifying that a sufficient reason for the dismissal of a superintendent of a free employment office would be a low percentage of positions secured to applications for help and for employment.

But even if the reports of the number of applications for help and for employment and of the number of positions filled were accurate, such reports would still be inadequate in indicating the efficiency of the public employment agencies in organizing the labor market. Should all positions be given equal weight in the reports? Some are temporary, lasting only a few hours, while others are permanent. That this may make a great difference in passing judgment on the agencies is indicated by the fact that in one year in the casual registries in England 3,799 persons secured 266,622 positions, or an average of 70 positions each. Evidently the permanency of the position secured must be considered in connection with efficiency. Nevertheless, none of the public agencies in the United States give any indication in their records in regard to the probable permanency of the position secured, with the exception of the Kansas City agency, which is controlled by the Board of Public Welfare. It was found that the average worker who was placed by this agency in the year 1910-11 earned a total of $1.13 from the job.

Kansas City, 2d Annual Report of Board of Public Welfare, 1911, p. 147.

The Massachusetts Commission of 1911 found that of 270 persons who had actually been hired in a month through the Boston Public Employment Agency 34.1 per cent secured temporary work, of 152 hired through the

Springfield agency 50.0 per cent secured temporary work, and of 48 hired through the Fall River agency 45.8 per cent secured temporary work.

Massachusetts, Report of Commission to Investigate Employment Offices, 1911, pp. 73-75. No definition of "temporary" is given in this report.

The Citizens' Free Employment Bureau, opened in Milwaukee for three months in the winter of 1911, though not in the control of a public body, was doing work very similar to that done by the public agencies, and therefore furnishes some evidence which is applicable; of 1,443 positions reported filled by this agency, 65.6 per cent were reported as temporary.

Citizens' Free Employment Bureau, Bulletin of the Milwaukee Bureau of Economy and Efficiency, 1911, No. 6, p. 8. No definition of "temporary" is given in this report.

A few agencies report the number of different persons assisted in securing positions, as well as the number of positions filled.

Massachusetts, 5th Annual Report of Free Employment Offices, 1911, p. 14; Citizens' Free Employment Bureau, Milwaukee, loc. cit., p. 8.

But this method, also, fails to indicate accurately the permanency of the position secured, since the agency does not have a record of all the positions secured by their individual applicants, and since the worker might leave a position in a very short time for no reason inherent in the nature of the position. The superintendent of the Minneapolis agency has stated that many of the male applicants refuse to take any work other than the temporary and casual jobs

Sargent, loc. cit., p. 93.

and the Massachusetts Commission of 1911 found that of 128 persons hired through the Boston agency for permanent positions, 56.3 per cent worked for one week or less, of 51 hired through the Springfield agency for permanent positions 35.3 per cent worked for one week or less, and of 15 hired through the Fall River agency for permanent positions 26.7 per cent worked for one week or less.

Massachusetts, Report of Commission to Investigate Employment Offices, 1911, p. 75.

Some public agencies have given estimates of the proportion of positions secured which were temporary; for instance, it is estimated that 90 per cent of the positions secured in the female department of the Minneapolis agency are one-day positions.

Sargent, loc. cit., p. 93.

Similar estimates have been made by several other superintendents,

Conner, loc. cit., pp. 8, 9, 61, 69, 80; Sargent, loc. cit., pp. 50, 81-82.

but such estimates do not admit of any more accurate conclusion than that in most of the offices there is a very large proportion of short-time and temporary positions, of a casual nature.

Consequently, there is no means of determining accurately how large a proportion of the positions secured through the public agencies are permanent. The reports, therefore, are completely valueless in giving an accurate idea of the efficiency of the agencies. It is impossible to determine whether the public agencies have been merely a means of promoting the casualization of labor, or whether they have had some other more desirable result. It is certain, however, that they have added principally to the agencies which secure casual occupation for workers, and that the engagements made through the assistance of these agencies are of temporary duration. Consequently, it is not adequate to represent the efficiency of an agency in terms of the absolute number of positions secured.

The absolute number of positions filled is an inadequate measure of efficiency, also, because it fails to take into consideration the possible work that might be done by such agencies, the number of positions open to be

filled. Some attempts have been made to secure a correction for this by throwing the number of positions filled into relation to the size of the city in which the agency is located.

Massachusetts, 34th Annual Report of Statistics of Labor, 1903, p. 169; Kansas City, 2nd Annual Report of Board of Public Welfare, 1911, p. 122.

Though this gives some correction, it is a very rough and not entirely adequate method. In the first place, it fails to take into consideration the number of positions secured through the agency in districts not within the city. Since the agencies differ in regard to the extent of such work, and since there is no accurate indication of the extent of such work in the reports of the agencies, it is both impossible to compare the agencies with each other, or the same agency at different times, and thus impossible to correct for this error. Again, some cities which are in a process of developing new industries, even though smaller than other more static cities with which they might be compared, are engaging more employes, and therefore present a greater opportunity to the employment agency for placing applicants for employment. Also, in other ways the size of a city is not an accurate indication of the possible work that an agency might do; for instance, the state employment agency in Kansas City, Missouri, furnished 1,210 harvest hands for Kansas farmers in 1910 on requests for that number. but in 1911 they had no demands for harvest hands and could fill no positions of that kind.

Missouri, 33rd Annual Report of Bureau of Labor Statistics, 1911, p. 230.

Such variations in the possibilities of an agency cannot be accurately represented in terms of the size of a city.

Evidently, therefore, the efficiency of a public employment agency in dealing with unemployment should be measured in terms of the total amount of unemployment within its area of operations. As shown above, the reported number of applications for employment is not an indication of the extent of unemployment. But, on the other hand, if there is no demand for labor, an agency cannot be held inefficient if it fails to secure positions for the applicants for employment; the efficiency must be determined, therefore, not only in terms of the amount of unemployment, but in terms, also, of the demand for the workers who are unemployed. While the reported number of applications for help is less inaccurate than the other figures presented by the public agencies, it is evidently not an adequate representation of the entire demand of a community for labor, since the agency receives only a small part of the employers' applications for labor. Consequently, it may be concluded that the reports which are ordinarily presented to show the efficiency of the public agencies are quite meaningless in giving any indication of the extent to which they have solved the problem of unemployment.

Much more concrete evidence of the efficiency of such public agencies is furnished by the fact that agencies have been opened under the control of a committee of citizens in Milwaukee and of the Board of Public Welfare in Kansas City, and have done much the same kind of work that was done by the state agencies located in those cities. The Citizens' Employment Bureau secured positions for 1,443 persons during the three months in the winter of 1911, while during the same time the state agency in Milwaukee registered and reported as "placed" about 800 persons.

Wisconsin, Bulletin of Industrial Commission, 1:218, Aug. 20, '12.

The employment agency which was maintained by the Kansas City Board of Public Welfare secured positions for 13,835 persons during the eight months ended May 31, 1911, while the state agency in Kansas City secured only 1,520 positions during the year ended September 30, 1911.

Missouri, 33rd Annual Report of Bureau of Labor Statistics, 1911, p. 234; Kansas City, 2nd Annual Report of Board of Public Welfare, 1911, p. 147.

The comparative success of agencies in the same community operating at the same time is evidence of the failure of the state agencies in the attempt at organization of the labor market.

It is necessary, also, to attempt to determine the extent to which the public employment agencies have been limited to various classes of applicants, and thus have merely increased the series of distinct centers in the labor market.

There is little definite formal evidence in regard to the ideal field of operations of the present public employment agencies. The laws of a few states explain that the term "applicant for employment" is not confined to manual labor, but that it includes all kinds of labor.

See statutes of Colorado, Illinois, Indiana, Oklahoma, Rhode Island, and the law in force in Wisconsin until 1911.

Moreover, the agencies generally advertise that they furnish both skilled and unskilled help, and resent the accusation that they confine their efforts to the unskilled

Illinois, 8th Annual Report of Free Employment Offices, 1906, p. 3.

and frequently refer to the increase in the number of applications made by skilled workers.

Illinois, Annual Reports of Free Employment Offices, 4th, 1902, p. 55; 8th, 1906, p. 74; 10th, 1908, p. 2.

But in actual practice the assumption of those in charge of many of the agencies is that such agencies are maintained primarily for the unskilled and this has in some cases been frankly stated. The Secretary of the Bureau of Labor Statistics of Illinois stated that "the primary purpose in establishing these offices was to aid the common or unskilled laborer in getting work without cost to him or her,"

Illinois, 7th Annual Report of Free Employment Offices, 1905, p. 3.

and maintained that the special investigations required in assisting skilled workers to secure positions would diminish the usefulness of the offices and frustrate their purpose.

In addition, the methods of operation show a strong tendency to specialize on the unskilled workers. Some superintendents attempt to use discrimination in selecting persons who are fitted for positions,

Conner, loc. cit., p. 37; Sargent, loc. cit., p. 97; Massachusetts, 38th Annual Report of Statistics of Labor, 1907, pp. 451-52; Michigan, 1st Annual Report of Department of Labor, 1910, p. 421; Ohio, 22nd Annual Report of Bureau of Labor Statistics, 1898, p. 275; Oklahoma, 2nd Annual Report of Department of Labor, 1908-09, p. 314; Washington, 2nd Biennial Report of Labor Commissioner, 1899-1900, p. 21.

but there are various other principles of selection which would be conceivable only with unskilled workers; the following are some of the principles on the basis of which applicants are selected for available positions; the number of persons dependent on the applicant,

Sargent, loc. cit., pp. 40, 119.

age of applicant, degree of need of work,

Sargent, loc. cit., p. 97.

priority of registration,

Sargent, loc. cit., p. 40; Kansas, 1st Annual Report of Director of Free Employment Bureau, 1901, p. 18; Massachusetts, 38th Annual Report of Statistics of Labor, 1907, p. 451.

priority of application after a position is announced,

Conner, loc. cit., p. 78.

length of waiting period in the office,

Sargent, loc. cit., p. 97.

ability to go to the position immediately,

Conner, loc. cit., pp. 66-67.

residence in the state;

Statutes of public agencies in Massachusetts and Rhode Island.

in some cases the person who has a telephone is selected because he can be notified most easily;

Sargent, loc. cit., p. 40.

and some agencies send several applicants to an employer and permit him to make the selection.

Massachusetts, Report of Commission to Investigate Employment Offices, 1911, p. 78.

An attempt is being made in Wisconsin to register those who do casual work and to send only such registered casual workers to those positions, so that, even though they are engaged in casual occupations, they may be regularly employed; this is the only recorded case of an attempt in the United States to decasualize the labor market.

Letter written by W. M. Leiserson to the Chicago Commission on Unemployment in 1912.

Some agencies attempt to determine the efficiency and character of those who come repeatedly to the office, or even to grade them on the basis of efficiency in the performance of work secured previously through the public agency.

Connecticut, 17th Annual Report of Bureau of Labor Statistics, 1901, p. 209; Illinois, 9th Annual Report of Free Employment Offices, 1907, p. 70; Michigan, 1st Annual Report of Department of Labor, 1910, p. 421; New York, 7th Annual Report of Free Employment Bureau, 1902, p. 4.

Some of the agencies require references and testimonials from all applicants, even the unskilled; others require no testimonials, even from those who claim very technical skill; and the ordinary practice seems to be either to require no references, or else not to investigate references that are required. The Commissioner of the Massachusetts Bureau has defended this practice on the ground that references and testimonials are of slight intrinsic value, that, if thorough, the investigation would be very expensive, and that the state is not in a position to guarantee employes, even after a most thorough investigation.

Massachusetts, 38th Annual Report of Statistics of Labor, 1907, pp. 432-34.

Still another element in the technique of the public agencies may be presented as an indication of specialization on the unskilled workers; in none of the public agencies, with the exception of Boston, is there any separation of the unskilled from the skilled workers; even in the Boston office all applicants enter by the same door and stairs; there is only a partition reaching part way up the room between the skilled and unskilled females, while the unskilled males are separated from the other male applicants only by a railing, and the boys under eighteen years of age are in the same office with the skilled, differentiated from them only by reason of applications at different desks.

Sargent, loc. cit., p. 62.

It seems evident that the skilled workers would not be inclined to patronize offices in which there is no differentiation of the skilled and unskilled, and that an agency which is attempting to secure the patronage of skilled workers would not in this way make patronage difficult.

There is little definite information in regard to the actual success in securing positions for the skilled as compared with the unskilled, or the proportion of skilled to unskilled applicants for employment. Some reports make no occupational classification of the applicants or the positions secured,

See reports of agencies in Colorado, Ohio, Oregon and West Virginia.

and the reports which do contain such classifications offer no definition or explanation of the basis of classification. and there is no possibility of differentiating the skilled from the unskilled or of securing uniformity of classification. In so far as judgment may be passed on the basis of such inadequate classifications, it is clear that a very large proportion of the applications and of the positions secured are in the inferior labor market—common labor for males and domestic service for females. In addition, some of the superintendents have made estimates of the proportion of the applicants who are skilled, these estimates varying from 3 per cent to 25 per cent.

See, for example, Conner, loc. cit., pp. 79, 80.

Some of the agencies are of service almost exclusively to unskilled males, others to domestic servants, such, for example, as the Newark Municipal Agency and the agency which was maintained by the State of New York from 1896 to 1906. A special committee appointed in 1905 to investigate the work of the New York agency reported that it was practically an intelligence office for domestic servants.

New York, 5th General Report of Department of Labor, 1905, pp. 14-16.

Other agencies are maintained almost exclusively for agricultural laborers; this is the obvious purpose of the agencies maintained in Wisconsin and New York by the state departments of agriculture. And the Director of the Kansas Free Employment Bureau stated that "the great and all-important duty of the Bureau is to furnish hands to gather our immense crops."

Kansas, 12th Annual Report, 1912, p. 5.

The agencies operated by the Bureau of Immigration limit their activities definitely to farm labor, common labor, domestic labor and settlers, and, also, largely to immigrants.

United States, Annual Report of Commissioner of Immigration, 1909, pp. 232-34.

These facts would indicate that the public employment agencies have limited their activities in actual practice to a comparatively small part of the labor market, being confined in most cases to the inferior labor market, frequently confined, also, to one sex in the inferior labor market.

There has been a slight degree of co-operation, however, between the public agencies and some of the other kinds of agencies. This co-operation is most apparent in the relationship between philanthropic agencies and the public agencies. It is reported that there is active co-operation between agencies of these types in Minneapolis,

Sargent, loc. cit., p. 98.

but in Chicago and Boston the co-operation has seemed to be unsuccessful.

Kellor, loc. cit., pp. 246-50; Massachusetts, Report of Commission to Investigate Employment Offices, 1911, p. 76.

The agency maintained in New York City by the Bureau of Immigration cooperates with the charitable societies and the immigration associations, as well as with the agency of the State Department of Agriculture.

United States, Annual Report of Commissioner of Immigration, 1910, p. 239.

Again, some of the employers' associations maintain agencies through which they secure the skilled help, and patronize the public agencies for their unskilled help.

Sargent, loc. cit., pp. 44, 46.

The public agencies in Chicago have in some cases sent skilled men whom they were unable to assist to private employment agencies which were judged to be honest and efficient. and which had more knowledge of skilled trades.

This has given rise to suspicions, as expressed by the representative of one of the trade unions of Chicago, that the public agencies not only

specialize in casual employments, but that when they secure applications from skilled workers they send them to private agencies which then divide the fees with the superintendents of the public agencies. This is, at least, indicative of a popular attitude, though there may be no truth in the accusation.

Thus, though there are few cases of co-operation between the public agencies and the other types of agencies, this is not the kind of co-operation necessary for the organization of the labor market in accordance with the ideal of the students of unemployment. The public agencies have not become central, in the sense that all demands and supplies are represented in them, and that they are places into which all surplus demands and supplies can be poured. So far as a local community is concerned, the public agencies have, therefore, merely added to the series of distinct and non-co-operating centers. They have not secured an organization which includes all occupations and the characteristic specialization on unskilled workers means that they have merely duplicated the work of the private and other types of employment agencies.

These public agencies have, also, been as inadequate in the organization of the larger labor market, extending over an area including several cities or states, as have the non-public employment agencies. In fact, they show very much less efficiency in this respect than is displayed by some types of the non-public agencies, such, for instance, as the trade union or employers' association agencies. In Massachusetts, by the statute of 1906, and in Rhode Island and Montana, applications for employment could be made only by citizens of the state. In 1908, however, the Massachusetts statute was changed so that the preference was given to citizens, but others were not absolutely debarred. In Seattle, also, from 1893 to 1895, preference was given, according to the city charter, to citizens in the selection of applicants for available positions. The governmental bodies which have established public employment agencies have been interested primarily in their own labor markets. Consequently, there has been a minimum of inter-communal and interstate placements. Evidently, if there is a surplus of labor in a community or a state, efforts would be made to secure employment for them elsewhere in order to solve the local problem of unemployment; and if there were an unsatisfied demand for labor in a community or state, efforts would be made to secure laborers from outside.

On the other hand, there have been many provisions which indicate an ideal of an area of operations more extensive than a single community or city. Some states have attempted to secure a state-wide distribution of labor by the establishment of "mail order" employment agency systems, in which applications for employment or help are made by mail, and information is returned from the agency by mail. The first law of this type was advocated in Iowa in 1893, but failed to pass. Montana adopted such a law and for two years maintained an agency of that kind. In Maryland this method of distribution was used in the extra-legal agency for a short time in 1896, and it has been used since the establishment of the state agencies in Kansas, Nebraska and Maryland, and to a certain extent in Indiana. This plan of distribution has been based generally on the desire to assist the farmers in securing help, and has been developed in Kansas more systematically than in any other state.

The original plan in Kansas was to have a public employment agency in each city of 2,000 or more, with the control divided between the municipality and the state. A few agencies were established in the smaller cities, but they appear from the reports to have been abandoned, leaving only the one agency in the capitol.

In Kansas information in regard to the probable demand for harvest hands is secured from voluntary correspondents in each county; such information, revised from time to time, is prepared by the state office and furnished to the associated press, the railroads, the philanthropic employment agencies and the public employment agencies in the neighboring states.

Proceedings of Conference of State Immigration, Land and Labor Officials, 1911, p. 14.

Those who desire such employment can secure information through any of these sources. Such information is secured in Wisconsin on a smaller scale, but with much better control of the distribution, through local bankers.

Wisconsin, Bulletin of Industrial Commission, 1:220, Aug. 20, '12.

The existence of such a technique shows very plainly that the purpose of such agencies is to cover an area larger than one city.

This purpose is apparent, also, in the form of organization of the agencies operated by the state departments of agriculture in Wisconsin and New York and by the Division of Information of the Bureau of Immigration. The work of these agencies is in its essence inter-communal and interstate work. The Massachusetts agencies in 1911 were authorized by special statute to provide for the better distribution of immigrants within the state.

In several states attempts have been made to secure co-operation between the agencies of the state by means of regular and frequent interchange of reports and to secure a more extensive knowledge of the labor market by the publication and distribution of such reports. The laws of Colorado, Illinois, Ohio, Indiana and Rhode Island provide for weekly reports of the number of applications for employment and help and the number of positions secured in each office, thus showing the number of positions still available; but the laws have not been enforced in several of these states.

New York, Commission on Unemployment, 1911, p. 114; Ohio, 20th Annual Report of Bureau of Labor Statistics, 1896, p. 399.

In New York the first law of 1896 required weekly reports to be sent to each township supervisor; but there were 1,168 such supervisors; the results appeared to be negligible and the expense very great; consequently, the law was amended in 1897, omitting that section. In Massachusetts there have been several attempts to secure this broader information in regard to the labor market. In 1893 one of the objections raised to public employment agencies was that they failed to secure information in regard to the labor market of the entire state, and it was urged that a system of reports on the condition of the labor market of the state would be preferable to such agencies in the larger cities. By the first law in 1906, it was provided that each office send a semi-weekly report to the superintendent, and that these reports be combined and returned to the agencies and distributed in other ways; for the first seventeen weeks such reports were published in the "Free Employment Gazette." In 1909 the statute was changed, requiring the agencies to send weekly reports of the demand and supply, as determined by applications for employment and for help, to the clerks of all towns and cities of the state. But this law, also, was enforced for a short time only.

Sargent, loc. cit., p. 68.

The superintendent of the Boston agency has published a monthly "Labor Market Letter," which gives in a descriptive form the general condition of the labor market, on the basis of the information secured in the public office. A similar bulletin has been published in Wisconsin on the basis of the reports of the Milwaukee agency, and since May, 1912, including the other state agencies; the plan is to enlarge this bulletin to include all possible sources of information in regard to the labor market of the entire state.

Wisconsin, Bulletin of Industrial Commission, 1:220, Aug. 20, '12.

Connecticut, Missouri and Minnesota have monthly reports, and Indiana a quarterly report. Such infrequent reports as these at monthly intervals evidently do not give the continuous information in regard to the labor market which is deemed desirable for the adjustment of supply and demand over a large territory, but they indicate some ideal looking to that final successful adjustment.

There are, in addition, a number of minor indications of this purpose to cover a wider territory than one city. In some agencies the applicants are asked if they are willing to work outside the city; some superintendents have made demands for wider advertising so that their operations might cover more territory; requests have been made that newspapers be kept in the offices to enable applicants to secure information in regard to opportuni-

ties for employment not locally available. Some state agencies have made arrangements with railways by which reduced fares have been granted to those applicants who have offers of work in other cities.

California, 7th Biennial Report of Bureau of Labor Statistics, 1895, pp. 26-27; Colorado, 12th Biennial Report of Bureau of Labor Statistics, 1909-10, p. 198; Kansas, Annual Reports of Director of Free Employment Bureau, 1st, 1901, p. 7; 5th, 1905, p. 4; Conference of State Immigration, Land and Labor Officials, 1911, p. 16.

In Indiana the farmers and farm laborers are invited to meet in the agencies on a special occasion known as Farmers' Day, to make their contracts for the coming season.

Indiana, 14th Biennial Report of Department of Statistics, 1911-12, p. 12.

The laws of several states provide that the agencies be advertised in trade journals without reference to whether those journals are published in the state, provided they reach employers of large numbers of laborers.

Statutes of Colorado, Illinois, Indiana, Michigan and Oklahoma.

There have been three attempts to organize associations of employment agencies. In 1901 the superintendents of the free employment agencies of Missouri, New York, Illinois and Connecticut formed the National Association of Free Employment Bureaus, but in the next year it was merged with the more general Convention of the Officials of the Bureaus of Labor Statistics,

New York, General Reports of the Department of Labor, 1st, 1901, pp. 92-94; 2nd, 1902, pp. 10-11.

and in the meetings of the latter organization some attention has been given to the work of the public employment agencies, though no tangible co-operative plans have been developed. In 1904 the commissioners of labor of Nebraska, Iowa, Kansas, Minnesota, Missouri, Oklahoma and South Dakota formed the Western Association of Free Employment Bureaus for the purpose of co-operating to secure a better distribution of the farm labor during harvest. The Kansas City, Missouri, office was fixed as the central clearing house, and each state was expected to report to it weekly in regard to the number of men needed and available. But there has been no evidence of such co-operation and it is presumed that the Association has been discontinued. In December, 1913, a meeting of superintendents of public employment agencies and secretaries of bureaus of labor statistics of Illinois, Indiana, Massachusetts, Michigan, Missouri, Ohio and Alberta resulted in the formation of an organization, to be known as the American Association of Public Employment Agencies of the United States and Canada. Its objects are to improve the efficiency of the agencies, to extend such agencies to all the states, to secure closer co-operation between such agencies, to secure a uniform plan of records and business control, to devise and maintain a plan of interchange of information regarding the whole labor market, and to secure proper distribution of labor throughout the country.

Up to date the proceedings of this Convention have not been published. See, W. M. Leiserson, Survey, 31:165, Nov. 8, '13.

In general, then, it may be concluded that the public employment agencies recognize no formal limitation on their field of operations. When they are interested primarily in assisting the employers, they secure laborers in any locality in which they are available, though giving the preference to citizens, since they have an interest in keeping the citizens employed. When they are interested primarily in assisting the unemployed, they attempt to secure positions for them in the locality, if possible, but do not restrict their efforts entirely to the community. The superintendent of the Seattle municipal agency has justified this inter-local work by the arguments, first, that it takes from the city the rough and dangerous unemployed, and, secondly, that when employes finish their engagements they come to Seattle to

spend their money with the merchants of that community, since it is known that Seattle has the best facilities for securing other engagements.

Washington, 2nd Biennial Report Bureau of Labor Statistics, 1897-98, p. 158.

But though these agencies do not recognize any formal limitation of their area of operations, the efforts at co-operation are limited almost entirely to intra-state agencies, and there is very little actual co-operation between the agencies of one state, or even between the agencies in one city where, as in Chicago, there is more than one agency in a city.

Sargent, loc. cit., pp. 50, 68.

It is reported, however, that the public agency in Duluth, Minnesota, co-operates with the public agency in Superior, Wisconsin.

Sargent, loc. cit., p. 98.

and that the public agencies in New York, Connecticut, Illinois and Missouri have co-operated with the Kansas Bureau in the distribution of farm laborers.

Kansas, 3rd Annual Report of Director of Free Employment Bureau, 1903, p. 9.

Though there is little evidence of active co-operation between public employment agencies, either in the inter-communal or inter-state placements, there is evidence that the agencies have some slight degree of success in securing employment for applicants in localities other than the home community. A large number of the agencies report that they have received calls from and made placements in many other places than their own localities, these being sometimes in the same state, frequently in distant states. But few of the agencies publish records of their inter-communal work; most of the agencies that publish such reports have been municipal agencies, and there is no basis for generalization from these statistics to the expected records of the state agencies. The work of the Kansas state agency, of the agencies maintained by the departments of agriculture in Wisconsin and New York and the Bureau of Immigration, is almost entirely inter-communal, since these agencies were organized for the purpose of the distribution of labor either to the farmers or else out of the cities. The Boston agency places more men as farm hands than in any other occupation,

Massachusetts, 38th Annual Report of Statistics of Labor, 1907, p. 445.

and the Pueblo agency claims that it furnishes 90 per cent of the farm help of that vicinity.

Colorado, 12th Biennial Report of Bureau of Labor Statistics, 1909-10, p. 204.

In Chicago, however, very few applicants are sent outside of the city by the state agencies,

Sargent, loc. cit., p. 50.

and in New York, in the year 1903-04, 28.4 per cent of the males and 5.9 per cent of the females who were reported as securing positions were located outside the city of New York. Some of the western municipal agencies show a much greater amount of inter-communal work than these state agencies: in Butte, in the year 1910, 67.7 per cent of the males and 32.9 per cent of the females who were reported as securing positions were placed outside the city of Butte, and in Great Falls, for the same year, the corresponding figures were 56.8 per cent and 52.7 per cent. In Portland during the period from October 1, 1909, to December 31, 1910, 12.9 per cent of all persons reported placed were located outside the city; in 1905, of all persons reported placed by the Duluth municipal agency, 19.4 per cent were placed outside the state and 25.8 per cent in the state, but outside of the city of Duluth.

The efficiency of the public employment agencies in such inter-communal work must be judged, however, not only by the proportion of such placements to the entire number of placements, but also, by the success in accomplishing a controlled and adequate general distribution of the labor supply.

It is evident, from this point of view, that the public employment agencies have no system or method by which they can furnish to the unemployed continuous information in regard to opportunities for employment. If the applicant is sent to a distant community, he is as helpless after the engagement is finished, as though he had been sent by a private agency. The state agencies have no extensive system of information that will re-direct him to other employment. The worker must make his own way by his own efforts or by other assistance which he can secure.

Conference of State Immigration, Land and Labor Officials, 1911, p. 17.

The reports of demands for harvest hands which are published in the newspapers are of some value in this re-direction, but there is no system of definite and continuous information.

Kansas, 11th Annual Report of Free Employment Bureau, 1911, pp. 5-6.

Consequently, the public employment agencies have generally failed in the organization of the inter-communal labor market; there has been no actual co-operation between the different state agencies, either intra-state or inter-state, that has been significant in results. No agency has a system of determining the demands for labor in territory outside of its own locality; the proportion of positions secured in other communities varies greatly in the different agencies, but in no agency are there any means for keeping the person who is sent into another locality informed in regard to further possibilities for employment. From the standpoint of the ideal organization of the labor market, as determined by the students of unemployment, the existing system of public agencies is of no more value in the inter-communal placements than the non-public agencies, for there is no organization which will make wandering in search of work unprofitable, and no technique for furnishing the unemployed with definite and continuous information in regard to opportunities for employment over a wide area.

This study of the success of the public employment agencies leads to the following conclusions: (1) There has been a steady increase in the number of such agencies since 1890; (2) the success or efficiency of these agencies cannot be determined from their reports because of the very inadequate methods of keeping and presenting their records, but all indications are that the reports very greatly magnify what has been accomplished; (3) in Kansas City and Milwaukee, which had state agencies fairly representative of the general type, new agencies which were established have far outstripped the old, thus showing the failure of the old to accomplish the full possibilities; (4) moreover, for all of these agencies it may be said that they are merely additional distinct and non-co-operating centers in the labor market, limited in actual practice almost entirely to the unskilled workers and to temporary engagements, limited either to placements within a city or to placements outside the city on the basis of almost insignificant knowledge of the demand for labor. and in all cases failing to co-operate with other public or non-public agencies in any organized way; (5) because of the specialization on unskilled labor and casual employments, it is possible that the public agencies, like the non-public, may have aggravated the situation by making it easy to get into casual employment and difficult to leave it; thus that they may have tended to promote the process of casualization. Consequently, it may be concluded that the public agencies have been no more successful than the private or philanthropic employment agencies in organizing the labor market.

In consideration of this general failure on the part of the public employment agencies to organize the labor market either within a given locality or within a larger area, it is important to attempt to determine the reasons for this failure.

The fundamental explanation of the failure of the public employment agencies to organize the labor market is found in the fact that these agencies have not been established or maintained for that purpose, and, with a few exceptions in the last half-decade, have not had any ideal of such

organization. They have been primarily an attempt to protect the unemployed from the private employment agencies, and based on the following scheme of thought: Very many of the private employment agencies are dishonest, fraudulent and unscrupulous; the unemployed are not in a position to make advantageous bargains with these agencies, or to protect themselves from impositions; the employment agencies are trafficking in the very important commodity of human labor, and especially when they are dealing with ignorant foreigners and the unprotected unemployed, are performing a function which is of such vital importance to the state that it should not be related to the desire for financial gain; even if the private employment agencies are honest and their fees reasonable, the unemployed are kept from working because of inability to pay the fees, or if they are able to pay fees, do so only with great hardship, and thus a few private employment agents are enriched at the expense of the portion of the population least able to contribute to the support of others; moreover, there is no reason why any one should be compelled to pay a fee in order to secure an opportunity to work. Therefore, according to this argument, it would be cheaper for the people of the state, it would protect the unemployed and it would be a well-merited service to the unemployed, if the state maintained free employment agencies; this would decrease the necessary expenditures for charities, since people become objects of charity because of their inability to pay fees to secure positions which would enable them to be self-supporting, and because of the frauds practiced upon them by these private agencies; in either case, individual degeneracy and crime result from such unemployment, and the establishment of public employment agencies would thus be a means of preventing degeneracy and crime. The public agencies were expected to eliminate the private employment agencies, and this was justified, partly, on the ground that they were all fraudulent, partly on the ground that if some were honest and reasonable, it was impossible to differentiate them from the fraudulent agencies; the competition of the public agencies was expected to eliminate the private agencies because, it was argued, applicants for employment would not go to the agencies to which they were required to pay fees if they could secure free services in the state agencies.

There is very little indication, especially previous to 1906, that there was any definite consideration given to the possible superiority of these public agencies in regulating the distribution of labor, few arguments that these public agencies would reduce unemployment except by reason of the free service, and little hope that they would prevent wandering in search of work. The attention was centered on the police protection and charity aspects of the problem, and it was this direction of the attention, the result of the problem of the times, that determined the methods and efficiency of the agencies. The following material is presented as evidence in support of this interpretation of the failure of the public agencies:

The evils of private employment agencies had been receiving considerable attention before any efforts other than regulations were made to control them; municipal ordinances had been passed in several of the large cities, and in 1885 Minnesota passed a statute. But the evils continued in spite of these regulations, as was made evident in an investigation in New York in 1886,

> New York, 4th Annual Report of Bureau of Labor Statistics, 1886, pp. 23-61.

and in Ohio in 1888.

> Ohio, 12th Annual Report of Bureau of Labor Statistics, 1888, pp. 262-67.

The Commissioner of the Bureau of Labor Statistics of Colorado, who made the first suggestion of public employment agencies which has received publicity, urged in 1887 that either the private agencies should be strictly regulated by law, or else public employment agencies should be established; he favored the latter method, and was instrumental in pushing into the legislature a bill to establish public agencies in all the larger cities of the state and to outlaw the private employment agencies. The bill failed because the

legislature was considering what was referred to in the Journals as a "similar bill," namely, a bill to regulate private agencies.

Colorado, House Journal, 1889, p. 388; Colorado, 1st Biennial Report of Bureau of Labor Statistics, 1887-88, pp. 363-69; ibid. 3rd Biennial Report, 1891-92, p. 162.

Thus the regulation of private agencies and the establishment of public agencies were considered as alternative methods of securing the same results.

The private-employment-agency animus is especially apparent in the establishment of the Ohio public agencies. This is evident from the fact that the suggestion for the establishment of such agencies was preceded by a study of the evils of private agencies, which presented the problem to the people of the state; from the numerous opprobrious epithets applied to the private agencies, such, for example, as "leeches engaged in sucking the life blood from the poor;"

Ohio, 14th Annual Report of Bureau of Labor Statistics, 1890, pp. 19-24.

from the report that in the first six months of operation the public agencies cost the state only $5,000, while the workers placed through their assistance would otherwise have been compelled to pay fees to private agencies, amounting to $20,132;

Ibid., p. 19.

from the statements that the private agencies had been driven entirely out of three cities in which public agencies had been located, and the methods of the agencies in the other two cities had been greatly improved, in so far as the agencies had not been entirely eliminated;

Ohio, 16th Annual Report of Bureau of Labor Statistics, 1892, p. 17.

and by such explanations as that of the representative of Ohio in the National Convention of the Officials of the Bureaus of Labor Statistics in 1891, who, when asked the function of these public employment agencies, replied: "The particular function is * * * to prevent poor people being robbed of their money by having to go to employment agencies that charge from one dollar to five dollars as a deposit. * * * By our law we do away with these offices."

Eighth Annual Convention of Officials of Bureaus of Labor Statistics, 1891, p. 92.

Ohio, having started the movement with this purpose, was largely influential in determining the aims and purposes of the public employment agencies in the other states. This is not merely a case of imitation; the other states had the same problem of unemployment and of exploitation of the unemployed by the private agencies; in other states, as in Ohio, the problem of unemployment itself was considered too large for solution, but it was possible to prevent the exploitation of the unemployed; and the reputed success of the Ohio public agencies in abolishing these evils quickly spread to the other states, resulting in demands for the solution of their own problems. The method by which these reports spread was largely through the meetings of the officials of the bureaus of labor statistics and the interchange of reports. The reports on the success of the Ohio public agencies in the National Convention of the Officials of the Bureaus of Labor Statistics in 1891 had led the commissioners of labor in several of the states to make studies of their private employment agencies and to recommend legislation similar to that in Ohio. At the next convention of the officials in 1892 a resolution was presented, recommending to the legislatures of the different states the consideration of the advisability of establishing state agencies.

Ninth Annual Convention of Officials of Bureaus of Labor Statistics, 1892, p. 97.

The adoption of this resolution was moved on the ground that the establishment of state employment agencies "means the abolishment of a great stumbling-block now in the path of every unemployed workingman."

Ibid., p. 96.

The merits of the resolution were argued entirely, aside from some technicalities of enforcement of laws, in terms of the evils of the private agencies.

The representative from Michigan moved as an amendment to this resolution that "in case said public employment offices do not find private employment for all those who need it, that it shall be the duty of the State to supply such employment." Ibid., pp. 97-98. This amendment failed to carry. While this amendment indicates some attention to unemployment, as contrasted with the exploitation of the unemployed, it seems to have elicited no support.

This resolution was of immense importance in the direction of the movement for the establishment of public agencies. It was used as the basis, and, in some cases, as the principal argument for recommendation of laws in several of the states, and was referred to with commendation in several other states. In addition, knowledge of the Ohio public agencies was spread by visits made to Ohio by representatives from other states which were interested in the establishment of similar institutions, particularly from Iowa, Massachusetts, Missouri and Connecticut. Letters of inquiry were sent to the Commissioner of Labor of Ohio from all parts of the United States.

Ohio, 17th Annual Report of Bureau of Labor Statistics, 1893, p. 874.

The reply he made to the inquiries from Iowa is indicative of the general direction of thought at that time. He wrote: "The employment offices in Ohio are giving great satisfaction and have been the means of wiping out almost entirely the 'pay employment offices' which formerly existed in this state to an alarming extent."

Iowa, 5th Biennial Report of Bureau of Labor Statistics, 1893, p. 11.

The commissioners of labor in other states had similar attitudes toward the purpose of such agencies, for the Commissioner of Labor of Missouri stated in 1903 that the "important reason and sufficient justification for the free offices" is "the existence of the poor unable to pay fees,"

Missouri, 25th Annual Report of Bureau of Labor Statistics, 1903, p. 357. The Commissioner of Labor of Connecticut said somewhat similarly: "If there are sufficient unemployed in a state so that private agencies flourish, then there is a class of unfortunates which needs the assistance and the protection from imposition which a public office would give." 16th Annual Report of Bureau of Labor Statistics, 1900, p. 163.

and the Secretary of the Illinois Bureau of Labor Statistics has claimed that the system of public agencies in that state is due entirely to his report of 1898—in which the problem is stated as the exploitation of the unemployed, rather than as unemployment itself.

Seventeenth Annual Convention of Officials of Bureau of Labor Statistics, 1901, p. 160; Michigan, 25th Annual Report of Bureau of Labor, 1908, p. 471.

Investigations of private employment agencies have been made in many states as the necessary prerequisite of recommendation of the establishment of public employment agencies.

Sargent, loc. cit., 39; California, 29th Assembly, Appendix to Journal, 1891, Vol. VII; Colorado, 1st Biennial Report of Bureau of Labor Statistics, 1887-88, pp. 344-69; Connecticut, 16th Annual Report of Bureau of Labor Statistics, 1900, pp. 164-65; Iowa, 4th Biennial Report of Bureau of Labor Statistics, 1890-91, pp. 217-37; Maryland, 5th Annual Report of Bureau of Statistics, 1896, pp. 64-78; Ibid., 2 Annual Report, 1894, pp. 185-96; Massachusetts, 34th Annual Report of Statistics of Labor, 1903, pp. 207-13; Missouri, 13th Annual Report of Bureau of Labor Statistics, 1891, pp. 30-58; Ibid., 19th Annual Report, 1897, pp. 486-88; Nebraska, 3rd Biennial Report of Bureau of Labor, 1891-2, pp. 573-85; New York, 4th Annual Report of Bureau of Labor Statistics, 1886, pp. 23-61; Ibid., 17th Annual Report, 1899, p. vii, 1222-27; Ohio, 12th Annual Report of Bu-

reau of Labor Statistics, 1888, pp. 262-67; Wisconsin, 10th Biennial Report of Bureau of Labor, 1900-01, pp. 762-70.

But also in the states in which special local investigations were not made, there were reports in regard to the evils of such agencies in other states, on the assumption that similar evils existed or might come to exist in the states in question.

Colorado, 7th Biennial Report of Bureau of Labor Statistics, 1899-1900, pp. 292-314; Illinois, 10th Biennial Report of Bureau of Labor Statistics, 1898, pp. 46-64; Minnesota, 3rd Biennial Report of Bureau of Labor, 1891-92, pp. 20-32; Rhode Island, 14th Annual Report of Bureau of Industrial Statistics, 1900, pp. 82-89; Tennessee, 3rd Annual Report of Commissioner of Labor, 1894, p. 6.

In these reports the most severe epithets were applied to the private agencies, including such as "unscrupulous double-dealing villain," "spider and the fly," and the "most perfect expression of man's inhumanity to man."

Iowa, 4th Biennial Report of Bureau of Labor Statistics, 1890, pp. 217-37.

On the basis of the information secured in such studies the passage of acts to establish public agencies was recommended by the commissioners of labor and in some cases by the governors of the states.

Message of Governor Boies of Iowa in 1892, in 5th Biennial Report of Iowa Bureau of Labor Statistics, 1893, pp. 7-12; Message of Governor Turner of Illinois in 1899, in Illinois House Journal, 41st Session, 1899, p. 23.

There is further evidence of the purpose of such public agencies in the fact that there were frequent reports of the amount saved to the people of the state or the city, in the difference between the cost of such offices and the fees that would have been paid if the same number of persons had been located by private agencies.

California, 7th Biennial Report of Bureau of Labor Statistics, 1895, p. 33; Colorado, 12th Biennial Report of Bureau of Labor Statistics, 1909-10, p. 194; Massachusetts, 34th Annual Report of Statistics of Labor, 1903, p. 170; Missouri, 30th Annual Report of Bureau of Labor Statistics, 1908, p. 850; Oklahoma, 3rd Annual Report of Department of Labor, 1909-10, p. 504; Washington, 2nd Biennial Report of Bureau of Labor Statistics, 1897-98, p. 157.

The Secretary of the Illinois Bureau of Labor Statistics estimated that fees amounting to $1,000,000 were paid to private agencies in Chicago in one year, and that the same number of persons could secure positions through public agencies at less than half the cost.

Illinois, 10th Biennial Report of Bureau of Labor Statistics, 1898, p. 135.

While these estimates are of slight value in showing the actual saving to the people of a state.

See above, pp. 60-88; Massachusetts, Report of Commission to Investigate Employment Offices, 1911, pp. 12-13, 74.

they are of immense value in showing the purpose and aims of the institutions, and consequently of explaining their failure to organize the labor market.

Wide publicity was given to the success of the Ohio public agencies in eliminating and regulating the private employment agencies, and at the same time there were reports of the futility of attempts to regulate private agencies by direct legislation, for it was alleged that the charges for licenses and bonds were merely shifted by the agencies to their applicants, thus injuring them still more.

Illinois, 10th Biennial Report of Bureau of Labor Statistics, 1898, pp. 129-32; Nebraska, 3rd Biennial Report of Bureau of Labor, 1891-92, p. 578.

Likewise in other states, after public agencies were established, there were similar reports in regard to the regulation and abolition of the private agencies by this competition.

Conner, loc. cit., p. 73; Illinois, 10th Biennial Report of Bureau of Labor Statistics, 1898, pp. 130-31; Michigan, 24th Annual Report of Bureau of Labor, 1907, p. 398; Michigan, 2nd Annual Report of Department of Labor, 1911. p. 29; Missouri, 20th Annual Report of Bureau of Labor Statistics, 1898, p. 219; Ohio, 16th Annual Report of Bureau of Labor Statistics, 1892, p. 17; ibid., 20th Annual Report, 1896, p. 405; ibid., 24th Annual Report, 1900, p. 440; Rhode Island, 24th Annual Report of Bureau of Industrial Statistics, 1910, p. 223; Washington, 2nd Biennial Report of Bureau of Labor Statistics, 1897-98, p. 161.

When the state agencies have failed to exterminate the private agencies, the superintendents have in some cases urged that the private agencies be outlawed and abolished either by excessive license fees or by direct legislation, and when the state agencies were first established in Illinois they were accompanied by regulations of private agencies intended to eliminate them.

Ohio, 20th Annual Report of Bureau of Labor Statistics, 1896, p. 405; Michigan, 2nd Annual Report of Department of Labor, 1911, p. 47; Illinois employment agency laws of 1899 and 1903.

In some cases the superintendents have admitted their inability to compete successfully with the private agencies and have urged the regulation of private agencies by licenses and bonds and inspection, while the superintendent of one public agency urged that a larger appropriation be granted in order to enable the public agency to compete successfully with the private agencies.

Colorado, 12th Biennial Report of Bureau of Labor Statistics, 1909-10, p. 198.

There were other more objective indications of the police protection and charity purpose of the public employment agencies. One of these is the fact that it has been generally assumed, without any consideration of the question, that these public agencies are necessarily free agencies. Until 1906 the question was not raised at all, except in Los Angeles, where a fee of 25 cents was charged to the applicant for employment after 1904; previously the absence of fees was merely assumed as a necessary part of the public agencies. There were arguments against public agencies on the ground that because they were free, they would attract the shiftless, that the applicants would be careless about going to the positions offered, and that they would not be patronized by the self-respecting workers.

See, especially, California, 9th Biennial Report of Bureau of Labor Statistics, 1899-1900, pp. 79-80.

Such arguments were not raised, however, to prove that fees should be charged in the public agencies, but to prove that regulation of private agencies by licenses and inspection was preferable to the competition of public agencies. After 1906 the question of whether fees should be charged by public agencies was raised and is an indication of a change in attitude toward the purpose of such institutions.

Conner, loc. cit., pp. 4, 8-10; Sargent, loc. cit., p. 39; Massachusetts, Report of Commission to Investigate Employment Offices, 1911, pp. 77-79; Massachusetts, 38th Annual Report of Statistics of Labor, 1907, pp. 430-32.

Another indication of the relationship between the movement for the establishment of public agencies and the imputed evils of the private agencies is the failure to establish such public agencies during the industrial depression of 1892-95. During this period, in which there was a vast amount of unemployment and studies were being made in several states to determine the extent of unemployment and the best means to reduce it, little success attended the efforts to establish public employment agencies. But at the time of the depression the attention was centered on unemployment rather than on the protection of the unemployed. Consequently, the contention was raised more during this period than at any other time that public agencies

had succeeded in doing little more than take the places of some of the private agencies and had not succeeded in reducing the amount of unemployment. Unemployment in itself did not seem to be a sufficient reason for the establishment of such offices. In Massachusetts a careful study was made of the various solutions of the problem of unemployment, and in both 1893 and 1895 it was recommended that the expense incurred in the maintenance of public agencies did not justify their existence, and in 1895 it was urged in addition, that instead of attempting to drive out the private employment agencies, as had been attempted in Ohio, the state should have a series of reports from different parts of the state in regard to the labor market, so that thereby it would be possible for workers all over the state to have information regarding the possibilities of work.

Massachusetts, Report of Board to Investigate the Subject of the Unemployed, 1895, Part V, pp. lii-lxiii.

In addition, the failure of bills for the establishment of public agencies in Iowa, California, Massachusetts and Missouri during this period is to be explained by the fact that when the attention was centered on the means of reducing unemployment, the public employment agency offered to them no solution of the problem.

The Rhode Island state agency, however, was established as the direct result of the industrial depression of 1907-08; a census of the unemployed was taken, and the information secured in this census was the basis for the demands for public agencies which should have the function of decreasing the amount of unemployment. This same tendency was manifested previously in Massachusetts in the law of 1906, which was passed after seven previous bills, introduced into the legislature during the period from 1893 to 1905, had failed. Aside from these two agencies, there are no clear cases of the establishment of public employment agencies for the purpose of preventing or decreasing unemployment.

Conner states, loc. cit., p. 67, that the Seattle municipal agency was established without reference to the evils of the private employment agencies. There is little evidence accessible in regard to the establishment of this agency, but there are evidences, to which reference is made above, pp. 146-147, that it was maintained partly, at least, as a competitor of private agencies.

It would be fallacious, however, to assume that the movement for the establishment of public employment agencies can be explained entirely in terms of the evils of the private employment agencies. Various other factors appear, and the entire situation must be taken into consideration for an adequate explanation of the movement. But these other factors are vague, indefinite and distinctly secondary in the ideals of the agencies before 1906 and in most of the agencies since 1906.

There were some assumptions that the public agencies would reduce the amount of unemployment.

California, 5th Biennial Report of Bureau of Labor Statistics, 1891-92, pp. 12-13; Colorado, 1st Biennial Report of Bureau of Labor Statistics, 1887-88, pp. 368-69; Illinois, 10th Biennial Report of Bureau of Labor Statistics, 1898, pp. 44-45; Maryland, 9th Annual Report of Bureau of Statistics, 1900, p. 111; Michigan, 29th Annual Report of Bureau of Labor, 1912, p. 18; New York, 14th Annual Report of Bureau of Labor Statistics, 1896, p. 1023; Ohio, 14th Annual Report of Bureau of Labor Statistics, 1890, p. 25; Oklahoma, 3rd Annual Report of Department of Labor, 1909-10, p. 504; Rhode Island, 22nd Annual Report of Bureau of Industrial Statistics, 1908, p. 563.

but there was no definite argument to show how such public agencies would accomplish this, and practically no attempt to show that public agencies would have any advantage over other kinds of employment agencies, except in the fact that they were free—which fact was merely taken for granted as a necessary part of the public agency—and that they would not be fraudulent. In one case it was argued that they would be more efficient than private agencies because disinterested, but even by this it was not meant that they would

be more efficient in decreasing unemployment, but only in serving the employers, since their disinterestedness would enable them to choose workers who were adapted to the positions offered by employers, while private agencies sent any available worker in order to get the fees.

Connecticut, 17th Annual Report of Bureau of Labor Statistics, 1901, p. 12; Ohio, 14th Annual Report of Bureau of Labor Statistics, 1890, p. 25.

And more recently the Commissioner of the Department of Labor of Oklahoma, has claimed that the public agencies of that state saved $51,252 to the state in one year because positions were filled more quickly than they would have been in private agencies.

Oklahoma, 3rd Annual Report of Department of Labor, 1909-10, p. 504. This claim, however, has no justification from any facts presented in the report.

There were other arguments that such public agencies would be a net financial saving to the people of the state,

California, 5th Biennial Report of Bureau of Labor Statistics, 1891-92, pp. 12-13; Connecticut, 15th Annual Report of Bureau of Labor Statistics, 1899, pp. 137-70; Ohio, 14th Annual Report of Bureau of Labor Statistics, 1890, p. 19; Washington, 2nd Biennial Report of Bureau of Labor Statistics, 1897-98, p. 157.

would reduce the amount of charity and crime,

California, 5th Biennial Report of Bureau of Labor Statistics, 1891-92, pp. 12-13; Connecticut, 15th Annual Report of Bureau of Labor Statistics, 1899, pp. 137-38; Maryland, 9th Annual Report of Bureau of Statistics, 1900, p. 111; Massachusetts, 34th Annual Report of Statistics of Labor, 1903, p. 210; New York, 14th Annual Report of Bureau of Labor Statistics, 1896, p. 1023; Ohio, 14th Annual Report of Bureau of Labor Statistics, 1890, p. 25; ibid., 16th Annual Report, 1892, pp. 12-13; Oklahoma, 2nd Annual Report of Department of Labor, 1908-09, p. 13; West Virginia, 7th Biennial Report of Bureau of Labor, 1901-02, pp. 93-94.

and would decrease the necessity of tramping in search of work.

Iowa, 4th Biennial Report of Bureau of Labor Statistics, 1890, pp. 2-3; North Carolina, 7th Annual Report of Bureau of Labor Statistics, 1893, pp. 629-30; Rhode Island, 24th Annual Report of Bureau of Industrial Statistics, 1910, p. 223; Wisconsin, 10th Biennial Report of Bureau of Labor, 1900-01, p. 761.

In these arguments there seems to be a vague conception of something else than protection of the unemployed from the private employment agencies, but there is no specific indication of how it was expected that these results would be accomplished by the public agencies, or what advantage the public agencies would have over the non-public agencies except in regard to the greater honesty of the public agencies and the free service.

In Massachusetts and a few of the other states, since 1906, it has been claimed that public agencies would assist employers and employes to meet and would thereby be of service to both parties. It was contended in Iowa very indefinitely,

Iowa, 4th Biennial Report of Bureau of Labor Statistics, 1890, pp. 2-3,

and in Massachusetts, in 1895, much more definitely that the private and philanthropic agencies did not secure definite information in regard to the general labor market of the state; the Massachusetts Board of 1895, however, considered that public employment agencies, also, would be inadequate to secure such information.

Massachusetts, Report of Board to Investigate the Subject of the Unemployed, 1895, Part V, p. lxii.

The Michigan Commission of Labor made a still more definite approach to the question of unemployment in the argument that labor is a perishable commodity, that both employer and employe suffer if all the opportunities for employment are not filled and that therefore it is necessary to supplement the industrial organization by means of public employment agencies.

Michigan, 29th Annual Report of Bureau of Labor, 1912, p. 18.

It is undoubtedly true that the public agencies were expected to help employers as well as workingmen, but there have been no attempts to show definitely how this would be accomplished, except in the efforts to assist farmers to secure agricultural laborers, in which case the expected assistance to the farmers has been concisely formulated.

Conner, loc. cit., pp. 52-53; Kansas, 1st Annual Report of Director of Free Employment Bureau, 1901, pp. 6-8; New York, 17th Annual Report of Commissioner of Agriculture, 1910, pp. 162-73; Ibid., 19th Annual Report, 1912, pp. 334-40; Sargent, loc. cit., p. 140.

It may be concluded, then, that the public employment agencies have been established and maintained primarily and almost entirely for the purpose of protecting the unemployed against the private employment agencies, and of enabling them to secure employment without paying fees. They have not had the purpose, characteristically, of reducing unemployment, nor have they been established to solve the problem of unemployment. Their methods have, consequently, been determined with reference to competition with private employment agencies. Therefore, it is not difficult to understand why the public employment agencies have not succeeded in organizing the labor market as the students of unemployment demand.

Failure of the public employment agencies to organize the labor market is explained, also, by the fact that there has been no general and active public demand for them. It is reported that the Seattle agency was the result of an almost unanimous vote of the people of the city,

Conner, loc. cit., p. 67.

and there has been competition between cities in Connecticut, Massachusetts, Minnesota and Ohio to secure the location of agencies;

Conner, loc. cit., pp. 11, 38-39; Ohio, 29th Annual Report of Bureau of Labor Statistics, 1905, pp. 9-10.

this interest seems to be confined, however, largely to the rivalry between cities in the desire to have equal facilities, for it is reported that the public in general in Connecticut and Massachusetts have shown no desire for such agencies,

Conner, loc. cit., p. 11; Massachusetts, Report of Board to Investigate the Subject of the Unemployed, 1895, Part V, p. lxii,

while in other states it has been complained that the public was apathetic and ignorant of the existence of these agencies, or even slightly hostile.

Conner, loc. cit., pp. 32, 42; Indiana, 14th Biennial Report of Department of Statistics, 1911-12, p. 69; Maryland, 15th Annual Report of Bureau of Statistics, 1906, p. 125.

There has been no vital connection between the general public and the movement for the establishment of the public employment agencies.

Conner has stated that "the active supporters of this movement are the labor unions."

Loc. cit., p. 88.

The Ohio law was drafted by the Municipal Labor Congress of Cincinnati, the central labor organization of the city;

Ohio, 14th Annual Report of Bureau of Labor Statistics, 1890, pp. 20-21.

in Portland the idea of a municipal employment agency was presented to the mayor by the Central Labor Council, which, also, has assisted in the management of the agency since its establishment;

Oregon, 4th Biennial Report of Bureau of Labor Statistics, 1908-10, p. 73.

in Tacoma the unions secured the sanction of both political parties to a bill for such agencies and pushed it through the council;

Conner, loc. cit., p. 72.

while in Montana,

Conner, loc. cit., p. 50.

Colorado,

Colorado, 12th Biennial Report of Bureau of Labor Statistics, 1909-10, p. 194.

and Los Angeles,

Conner, loc. cit., p. 8.

the public agencies are reported to be the result primarily of the activities of the labor unions. The unions favored the passage of laws or were more or less active in urging them in Connecticut,

Conner, loc. cit., p. 11.

in Iowa in 1893 and again in 1906,

Iowa, 5th Biennial Report of Bureau of Labor Statistics, 1893, p. 12; Downey, History of Labor Legislation in Iowa, p. 189.

in Indiana,

Sargent, loc. cit., p. 42.

Nebraska,

Nebraska, 4th Biennial Report of Bureau of Labor, 1893-94, p. 529.

Rhode Island,

Sargent, loc. cit., p. 119.

and Wisconsin.

Conner, loc. cit., p. 78.

But these reports of agitation and demand by trade unions are not specific; the demands seem to mean in many cases only that some unions passed resolutions in favor of such agencies, which may mean only that the unions were not hostile to them. In California the unions assisted the Commissioner of Labor, who had opened a public employment agency in San Francisco without specific legislative enactment, by collecting funds from the public for the maintenance of such an agency.

E. L. Bogart, Quarterly Journal of Economics, 14:359. May, 1900.

In Oklahoma the State Federation of Labor, the Central Trades and Labor Council of Oklahoma City and the Painters' and Decorators' Union of Oklahoma City urged that the first state agency be moved from Guthrie to Oklahoma City.

Oklahoma, 1st Annual Report of Department of Labor, 1908, pp. 171-72.

In Missouri the unions were not influential in the establishment of public agencies, but have urged an extension of the services to other cities.

Conner, loc. cit., p. 42.

In Illinois, where, also, the unions were not active in securing the passage of the act, they have in some cases urged an extension of the system; in 1913 at a joint meeting of eight organizations of cooks and waiters in Chicago a resolution was adopted demanding the abolition of private employment agencies, and the extension of the state employment agencies; this resolution was endorsed by the Chicago Federation of Labor on March 2, 1913, and the legislative committee of the Federation was instructed to use efforts to secure the passage of a bill to that effect.

Minutes of meeting of Chicago Federation of Labor, March 2, 1913.

On the other hand the trade unions have been quite definitely hostile to the establishment of such agencies in other cases. In New Jersey a bill presented to the legislature in 1907 failed, mainly because of the opposition of the trade unions.

Letter from Chief of Bureau of Labor Statistics of New Jersey, May 6, '12.

In 1896 a citizens' committee in Grand Rapids, Michigan, had plans under way for the establishment of a municipal agency, but the plans were abandoned because of the opposition of the unions of that city.

Bogart, Quarterly Journal of Economics, 14:363-64, May, 1900; Conner, however, states that in 1905 the unions of Michigan as a whole were not inimical to this movement. Loc. cit., p. 35.

In Massachusetts, though the unions seemed indifferent in 1893,

Massachusetts, 24th Annual Report of Statistics of Labor, 1893, p. 263.

they manifested opposition in 1895 because of the fear that such agencies would be used to secure strike-breakers for the employers.

Massachusetts, Report of Board to Investigate the Subject of the Unemployed, 1895, Part V, pp. lx-lxi.

Moreover, President Gompers of the American Federation of Labor has expressed the fear that such agencies will be used for strike-breaking purposes, and for the distribution of immigrants to take the places of Americans, and maintains that these agencies are a subtle scheme of the steamship combinations and employers' associations to get cheap labor in the United States; he believes that trade union agencies for migratory labor will be much more effective than public agencies could be.

S. Gompers, American Federationist, 17:993-95, Nov., '10, and 19: 43-44, Jan., '12.

The commissioners of labor of some states have asked the trade unions or some of the individual trade unions in regard to legislation that is considered desirable; the replies should be indicative of whether the trade unions consider public employment agencies essential. In Iowa in 1903 replies were secured from 170 unions, representing 46 different occupations, and no demand for public agencies was made by any of these, though the unions had twice given their formal endorsement to the public agencies;

Iowa, 11th Biennial Report of Bureau of Labor Statistics, 1903-04, pp. 292-94.

in Missouri in 1901 replies were received from 71 unions, one of which urged an extension of the state employment agencies;

Missouri, 23d Annual Report of Bureau of Labor Statistics, 1901, pp. 342-57.

in Colorado in 1899 the commissioner asked 706 individual members whether they favored or opposed public employment agencies; of these 662 are reported as favoring public agencies, 44 as opposing; but when they were asked for general expressions of desires for legislation, and no reference was made to public agencies in the question, only eleven out of 706 mentioned them.

Colorado, 7th Biennial Report of Bureau of Labor Statistics, 1899-1900, pp. 99-124.

In these replies, in which public agencies receive such slight attention, there are many other demands which have a bearing on unemployment, either by increasing the demand for labor or by restricting the supply of workers; such demands are represented by the following: shorter workday, child labor laws, apprenticeship laws, requirement that railways do all their repair work in the state, requirement that work on state buildings be performed by citizens of the state, printing text-books in the state, preventing convicts from learning stone-cutting, etc. Thus it appears that when the unions have their attention called to the public agencies, they are sometimes favorable, but do not attribute great importance to such agencies.

On the whole it cannot be stated that there has been any consistent trade union attitude toward this movement; they have been very active and energetic in a few cases, and are undoubtedly directly responsible for the establishment of a few of the agencies. But many of the resolutions and so-called demands do not have great significance. The most wide-spread attitude, so far as the evidence justifies a generalization, is that the unions have been indifferent toward the establishment of such agencies and equally indifferent in regard to their success. The trade unions have not expected any assistance for their own members from such agencies, and undoubtedly would oppose the extension of these agencies to include their own members;

See below, pp. 123-28, 137-38.

in so far as the unions have manifested a favorable attitude toward public agencies it has been with the prospect of assisting the unorganized and unskilled workers. This friendly attitude is due, first, to sympathy with the unemployed, partly because of the unemployment itself, and partly because of the reputed impositions on the unemployed by the private employment agencies; secondly, to the desire to decrease the number of the unemployed as much as possible in order to facilitate the operation of their own policies, for the presence of the unemployed person in the labor market is regarded as a great hindrance to the securing of the demands of the unions; any method of decreasing the number of the unemployed, by reducing the potential competition, would be interpreted as promoting the union program.

On the other hand, opposition to the establishment and maintenance of such public agencies has been expressed by the trade unions, and is based on the arguments that public agencies would facilitate immigration and thereby increase the potential competition, and that in industrial disturbances such agencies would be a positive menace to the trade union policies by assisting employers to secure strike-breakers. In addition there is some opposition on the ground that the workers should combine for their own protection, and that the state-care represented in a bureaucratic system, such as the public employment agencies are considered to exemplify, is degrading. Consequently, the trade unions are attempting to organize the unskilled workers and establish co-operative, rather than governmental employment agencies for them. This plan is an additional incentive to opposition to the public agencies, since such public agencies would decrease the advantages to be offered to unskilled workers as a result of organization into unions.

The trade union attitude, in so far as it is indifferent, is not merely the indifference of the general public, but is due to their emphasis on other policies for preventing unemployment and for improving conditions of employment.

> President Gompers has written, "In the prevailing judgment of trade unionists, the order in which protection to the workers should come from the state does not bring labor exchanges to the forefront in this country. . . Before trade unions can devote much time to the promotion of labor exchanges, they want better factory and mine inspection, better methods of protection against accidents, a better system of compensation for accidents, better child-labor laws—yea, a heap of better conditions for the wage-earners at work." American Federationst, 17:993-95, Nov., '10.

Unions insist on a shorter workday and one of the reasons given for this is that it will make work for more employes, and hence prevent unemployment; and there are many other demands, which, according to their theory, have a much more important bearing on unemployment than do the public employment agencies—such as restriction of immigration and prevention of child labor. It is not necessary to agree with the validity of this logic in order to realize its importance in determining the attitude of the unions toward the establishment of public agencies.

> Hourwich seems to have missed the point of the trade union attitude when he states that "organized labor prefers to leave the distribution of labor in the hands of padroni and employment agents." Immigration and Labor, p. 147.

Consequently there seems to have been no strong and recognized trade union attitude that would make it necessary for legislators to consider the public agencies as supported and favored by the unions.

A study of the accessible facts shows, also, that the employers and the employers' associations have made no clear demand for public employment agencies. In fact, Conner states that the most active opponents of the public employment agencies have been the anti-union employers' associations, the citizens' industrial associations and the manufacturers' associations.

> Conner, loc. cit., p. 88.

But such associations have by no means been unanimous in their opposition. The Manufacturers' Association of Baltimore advertised the public agency of that city by sending to all its members letters announcing the opening of the agency.

Maryland, 12th Annual Report of Bureau of Statistics, 1903, p. 95.

In some of the public agencies unskilled help is furnished for employers' associations.

Sargent, loc. cit., p. 42.

In two of the Wisconsin agencies and in the municipal agencies in Portland, Tacoma and Everett the employers' associations co-operate in the management of the public agencies. On the other hand the fact that the Evansville, Indiana, Manufacturers' Association opened an employment agency under their control in that city at the same time the public agency was opened there might be indicative of opposition.

Indiana, 14th Biennial Report of Department of Statistics, 1911-12, p. 69.

But the only notable and clear cases of opposition to public agencies by employers' associations have been in Iowa and Illinois, and both of these are explicable in view of particular local conditions. In Iowa the employers opposed the efforts for the establishment of public agencies in 1892 and 1894, but the most ardent advocate and supporter of this movement, and the one in whose control the agencies, if established, would be placed, was J. R. Sovereign, Commissioner of the State Bureau of Labor Statistics, who was at the same time the State Master Workman of the Knights of Labor, and had published a labor journal for seven years. The Iowa State Manufacturers' Association and the Citizens' Industrial Alliance opposed the establishment of public agencies in 1906, also; but again they feared that the agencies would be under the control of the unions of the state, and would either formally or informally make it impossible for non-union workers to secure employment.

See letter sent to the members of the Association by the legislative committee of the State Manufacturers' Association, urging opposition to the proposed law, in Conner, loc. cit., pp. 92-93; Downey, op. cit., p. 190.

Some of the employers in Illinois, also, opposed the law of 1899, and assisted in testing its constitutionality; but this law had a provision that public agencies should not assist employers in times of strike; the principal objective of the employers in their opposition seemed to be this clause.

Illinois, 6th Annual Report of Free Employment Offices, 1904, p. 3.

Other employers than those represented in associations have developed no clear or consistent attitude toward public employment agencies. They have manifested no characteristic attitude either of opposition or of urgent support.

See, however, Oklahoma, 1st Annual Report of Department of Labor, 1908, p. 172; Massachusetts, 24th Annual Report of Statistics of Labor, 1893, p. 263.

Thus the employers as a whole have made no consistent or active demand for public agencies. Their attitude has been most generally one of indifference, and their replies are indicative of little consideration of the question. In some cases their hostility is due to two underlying attitudes—an opposition to all extension of state functions except such as promote the interests of business, and a desire to keep the labor force under their own control, and to retain the ability to debar union agitators from their employment without the publicity that would be necessary if formal requests to that effect were made in patronizing public agencies. Some employers have shown a kindly and sympathetic interest in these agencies as a means of solving the problem of unemployment, and a business interest in improving the facilities for securing labor.

Farmers have been active in advocating public agencies in a few cases in which the primary purpose was to assist them in securing agricultural labor, as in the Kansas agencies, but as a whole the farmers have had no appreciable effect on the movement.

Conner, loc. cit., p. 11.

In the large, the public employment agencies have resulted from the work of the commissioners of labor of the different states, who have been able to succeed in their efforts, not because of a general public demand or a demand backed by strong and persistent interests, but because of a lack of general opposition. Some of the commissioners have made frank statements of the individual origination of the public agencies. Mr. David Ross, Secretary of the Illinois Bureau of Labor Statistics, stated in regard to the public agency law of Illinois, "I am pleased to report that that measure emanated absolutely from the Bureau of Statistics of Labor."

Proceedings of 17th Annual Convention of Officials of Bureaus of Labor Statistics, 1901, p. 160.

Eight public agencies have been established by these commissioners without legislative enactment.

See above, p. 60.

Moreover, the general account of the motivation of the public agencies reveals the close connection between the public agencies and the commissioners of labor.

See above, pp. 90-101.

The commissioners would have been unable to succeed in their efforts except for the problem presented by the existence and exploitation of the unemployed, but so far as agitation and demands for agencies influenced the legislatures, the commissioners seem to have been primarily the ones to whom the movement owes its origin and existence.

Because of this lack of a strong, persistent popular demand for the public agencies, together with the purpose generally inherent in the efforts to secure such agencies, there has been no sufficient financial support of the public agencies and no development of methods and technique adequate to an organization of the labor market. And it has been possible, moreover, for these agencies to be regarded as opportunities for political appointments, which would make their efficient management extremely difficult.

Complaints have frequently been made in regard to the meagre financial support,

W. M. Leiserson, Compte Rendu de la Conférence International du Chômage, 1910, Vol. II, p. 7; Michigan, 24th Annual Report of Bureau of Labor, 1907, p. 388.

and the failure of some of the public agencies has been explained as due to the inadequacies of their resources.

New York, Report of Commission on Unemployment, 1911, pp. 14, 124; Conner, loc. cit., p. 53.

The appropriations for various offices range between $15,856.11, which was expended by the Boston office in 1911—which is probably the best equipped agency under public control in the United States—to nothing, as was the case the first year in the Indiana agencies. The appropriations for the Ohio agencies seem to be typical; in 1910 these agencies expended an average of $443.25 each, in addition to the salaries of a superintendent and a clerk in each office.

Because of these small appropriations, the public agencies have been unable to advertise at all, or have advertised only intermittently and scantily; they have been unable to have business agents conferring with employers; they have been unable to secure quarters that would permit of separation of the skilled from the unskilled workers, or even to have adequate telephonic communication with the employers. There has been in most cities no one man who was a student of the situation, and who had the problem

of adjusting the agencies to the demands of the situations. The superintendents and clerks have frequently been compelled to do other work than that for the unemployed, either for the bureau of labor statistics or for the school board.

Moreover, the public agencies have been regarded as political possibilities, and the superintendents have been changed frequently with changes in political parties, thus preventing a continuity of plans or policies, as well as a lack of interest in long-time policies. In only three states are these offices under civil service, and even civil service is not entirely successful in eliminating changes for political reasons. In Ohio the changes in the commissioners of labor in 1892, 1896, 1898 and 1900 were attended by changes in from two to all of the superintendents of the agencies. These frequent changes in control prevent consistent development of public agencies along business lines, and have been largely instrumental in the failure to organize the labor market.

Both the inadequate financial support and the resulting inadequate methods and the political connections of the public agencies are the result of the lack of a strong popular demand for the public agencies and of the purpose for which these agencies were established and conducted.

This survey of the development and activities of the public employment agency leads to the conclusion that they have not succeeded in organizing the labor market, they have been local and distinct centers, patronized primarily by the unskilled laborers and domestic servants; they have neither secured an active co-operation with other public agencies nor with the non-public agencies, and hence have not become central agencies into which the others could pour their surplus demands and supplies; they have not secured sufficient information about the labor market to have an appreciable result on the value of wandering in search of work, and hence have not been influential in decreasing that custom. There are probably few cities in the United States in which there are not private agencies doing a more flourishing business than the public agencies.

This failure to organize the labor market is to be explained by the fact that they were maintained, not for the purpose of dealing with the problem of unemployment, as such, but for the purpose of protecting the unemployed against the alleged dishonest practices of private employment agencies and of furnishing institutions in which workers could secure positions without the hardship of fees. Moreover, there was no clear and insistent demand for such agencies, consequently no adequate financial support to enable them to develop methods and a technique adequate to control the distribution of labor, or to secure definite and continuous information in regard to the demand or supply in the labor market. They have been political openings for the party in control, subject to frequent changes, and a continuity of policies has, thus, been impossible.

Consequently it may be concluded that no factors or forces appear in this analysis which are inherent in the situation in such a way as to doom any system of public agencies to failure. The failure of these public agencies gives no basis for an inference that any public agencies must fail to organize the labor market. The organization of the labor market is a function which has been assigned to the public agencies only within recent years; failure to perform this function previously was due to the fact that a different problem was presented in the earlier years, and no ideal such as the organization of the market was essential to the solution of that problem. The problem of the public agencies has been the protection of the unemployed, rather than unemployment, as such; failure to solve this larger problem was the result of the fact that they were not trying to solve it; but there is no justifiable implication from this that the problem is insoluble.

CHAPTER V.

POSSIBILITIES IN THE FUNCTIONING OF PUBLIC EMPLOYMENT AGENCIES.

In view of the general failure of public employment agencies in this country, the question of the possibility of organizing the labor market by this means is necessarily raised. Is it possible to secure an organization such as that presented as a standard by the students of unemployment in view of the situation in which the agencies are to be located? Is the distribution of employment and of unemployment such as to permit this ideal program to work out successfully? Is the attitude of the trade unions, the employers' associations and the other possible patrons of the agencies such that the general success of the policy seems probable? These problems are raised particularly with reference to the United States; some indications, however, of the possibilities may be secured from the operations of the public employment agencies in other countries, especially in England and Germany.

The improvements that have been made in the agencies in some states and cities are evidence of the possibility of accomplishing more in the reduction of unemployment than has ordinarily been accomplished by public agencies. The lively interest in public employment agencies in recent years is evidence of an increased popular demand for such institutions, and this interest will be a more adequate basis for the development of new policies than has been possible heretofore. This is apparent particularly in the New York Commission on Unemployment in 1911, the Massachusetts Commission of 1910, the Chicago Commission of 1912, the formation of an American section of the International Association on Unemployment and the reorganization of the Wisconsin state employment agencies.

These modifications are an evidence and a result of the shifting of the problem. It is now being inferred that the best method of protecting the unemployed against the private employment agencies is by statutory regulation and inspection, and the function of the public agencies is shifting to the problem of unemployment as an industrial maladjustment. This change in attitude is partly due to a realization of the failure to eliminate the evils of the private agencies by the competition of public agencies, for they have generally failed even in that.

Abbott, loc. cit., 14:289-305; Conner, loc. cit., p. 73; Colorado, 12th Annual Report of Bureau of Labor Statistics, 1909-10, p. 14; Illinois, 10th Biennial Report of Bureau of Labor Statistics, 1898, p. 130; Illinois, 13th Annual Report of Free Employment Offices, 1911, p. 7; Indiana, 14th Biennial Report of Department of Statistics, 1911-12, pp. 12-13; Kellor, op. cit.; Maryland, 14th Annual Report of Bureau of Statistics, 1905, p. 175; Massachusetts, Commission to Investigate Employment Offices, 1911, p. 97; Michigan, 1st Annual Report of Department of Labor, 1910, pp. 388-89; ibid., 2nd Annual Report, 1911, p. 47; Nebraska, 11th Biennial Report of Bureau of Labor, 1907-08, p. 17; Ohio, 20th Annual Report of Bureau of Labor Statistics, 1896, pp. 405-06; ibid., 21st Annual Report, 1897, p. 12; ibid., 24th Annual Report, 1900, pp. 437-41; Washington, 4th Biennial Report of Bureau of Labor Statistics, 1903-04, pp. 217-54.

Some private agencies even maintained that the public agencies have been a benefit to them in assisting to form habits of depending on agencies rather than on personal application for employment, and in draining off the poorer workers who hamper the private agencies.

Illinois, 13th Annual Report of Free Employment Offices, 1911, p. 8.

But with the shift in attention from competition with the private agencies to a more fundamental solution of the problem of unemployment, there

have been modifications of methods and technique. This is seen particularly in the new Wisconsin agencies, which have an ideal of securing a virtual monopoly of placement, not necessarily by eliminating the private agencies, but by securing a controlled knowledge in regard to the entire labor market which would eliminate the element of distinctness and separateness of the centers in the market. Such a system will undoubtedly drive a number of private agencies out of existence, but that is no more the fundamental purpose than it is to eliminate the previous public agencies which were not doing the work satisfactorily. The attempt is now being made to secure a co-ordination of all demands and supplies. Consequently, these new agencies have not adopted the methods of the private agencies, as the previous public agencies did, but have developed new methods and new technique. Free service would not be assumed in such a system, though it might be accepted because of its presumed value in promoting the efficiency of the public agencies. Efforts are being made to secure the cooperation of trade unions and employers or employers' associations in order to develop this unified system. The appointment of a state superintendent, whose duty is to study the entire situation with reference to unemployment, promises a better adaptation of the agencies to the needs of the labor market, while the removal of these agencies from the control of the politicians by civil service makes possible a greater continuity of plans and policies. The bulletins in regard to the labor market in Wisconsin, as, also, in Massachusetts, are evidence of the possibilities of securing wider information in regard to the labor market, though these bulletins are not sufficiently explicit and frequent to be, up to date, of great value in the actual direction of the workers. The Chicago Commission on Unemployment has made recommendations that aim at the breaking up of the three competing and distinct state agencies in Chicago and the substitution of co-ordinated efforts. The State Immigration, Land and Labor Officials have made demands for a nationalization of the work of employment agencies and a co-operation between the states. The formation recently of the American Association of Public Employment Agencies of the United States and Canada is an indication of increased co-operation between the agencies. A number of the states have been extending the agencies to the smaller cities, thus making possible a net of agencies covering the state; Indiana started its system with one agency in 1909, and then added four more in 1911; Michigan started with two agencies in 1905, added two more in 1907, one in 1908, and authorized five more in 1911, though no appropriation was made for them, and they have not yet been established.

> These five agencies were to be located in Battle Creek, Bay City, Flint, Muskegon and Traverse City. Michigan, 29th Annual Report of Bureau of Labor, 1912, p. 18.

All of these movements have been or seem very likely to be productive of increases in the number of positions secured, in the patronage by employers and employes, and in general efficiency. They are all approaches to the ideal held by the students of unemployment. But these changes are comparatively recent and it is not yet possible to appraise accurately the results of such changes. It is, therefore, necessary to analyze more concretely the situation with which the agencies are attempting to deal in order to determine the possibilities of successful functioning.

A very fundamental factor in determining the possible success of employment agencies in reducing the number of unemployed is the distribution of unemployment. The general assumption on which employment agencies are based is that much unemployment is due to the maladjustment of labor, to the fact that there are demands for labor which, if known, would absorb many of the unemployed. There is no doubt of the existence of such maladjustment, but there is no statistical verification of the extent to which this is the cause of unemployment. The usual proof is a comparison of the statistics of unemployment kept by trade unions with the newspaper or other popular assertions in regard to demands for labor. Thus it is found that some members of the unions are unemployed at all times during the

year, and at some periods in the year employers through the newspapers spread the information that they are suffering from lack of labor.

The trade union statistics represent the number of members of the unions who are out of work on the last day of the month. This is not an assured representation of unemployment as a whole; moreover it does not represent pure unemployment alone, i. e., such as is caused by inability to find work when willing and able to work; it is complicated by such things as the desire to remain out of work for a short time between jobs, trade union standards which prevent members from working for certain employers, standards of workmanship which prevent skilled workers from accepting unskilled employment, etc. But there are no statistics with the least semblance of accuracy in regard to the demands for labor. It is necessary to rely on vague reports of lack of labor, on newspaper accounts which are often exaggerated.

> This may be illustrated by the fact that the newspapers related that the Commissioner of Public Works of Detroit in a time of distress set afoot public works which called for 5,000 men, and that only 10 applicants applied and they all wanted to be bosses. Correspondence with this commissioner revealed the fact that only 500 jobs were offered and 3,000 men applied for them. E. A. Ross, Atlantic Monthly, 105:307-08, March, '10.

and on statements of employers which are made for the implicit purpose of inducing immigration and, by other means, securing a sufficiently large number of competitors for employment to keep down wages. There can be no doubt, of course, of the extreme need of employers for labor.

> According to the newspapers the steel corporations and coal companies were hunting the prisons for workmen and paying their fines in order to secure them for employment. New York Times, June 27, '12.

but there are no statistics which will make it possible to determine the length of time for which such labor is demanded, or the extent of the unsatisfied demand for labor. Since there is no definite knowledge in regard to the extent of unemployment due to this maladjustment, there can be no certainty as to the extent to which unemployment can be prevented by efficient public employment agencies. Any decision in regard to this is largely assumption, made on the basis of scattered and inadequate statistics which treat labor as homogeneous and impersonal. In addition the theoretical question of the regularity of the demand for labor in general is complicated by assumptions in regard to the wages paid for such labor.

No one knows whether the demands for labor, even if regular on the whole, are of such a nature that it is possible to secure a complete dovetailing of occupations. Before definite knowledge in regard to the possibilities of transference of labor from one occupation to another can be had, it will be necessary to study not only the variations in the demands for labor in different occupations—and even that has not been done in an intensive way—but also the degree to which the skill required in different occupations is similar and can be transferred.

> It is noteworthy that Webb first worked out his plan for organization of the labor market (Webb, Public Organization of the Labour Market, 1909), and then later made intensive studies of seasonal trades. (Webb, Seasonal Trades, 1912.)

The statistics of unemployment show that for the United States as a whole, and for each principal industrial state, the number of persons employed in the industries fluctuates regularly, with one crest in May and another in September or October. Whether this industrial variation would be off-set if non-industrial occupations were included in the statistics is uncertain. Likewise there are definite surpluses for the United States as a whole, and for each industrial state, in the number employed in busy years over the number employed in years of depression. Both the seasonal and the cyclical surplus of labor is reduced, to a certain extent, by variations

in immigration and by emigration, for, as Hourwich has stated, "Unemployment and immigration are the effects of economic forces working in opposite directions; that which produces business expansion reduces unemployment and attracts immigration; that which produces business depression decreases unemployment and reduces immigration."

Immigration and Labor, p. 145. Fairchild, however, states that emigration has a very trifling palliative effect on unemployment in times of crises. Immigration, p. 352.

Thus there is, on the whole, some doubt in regard to the extent to which public employment agencies, with an ideal organization and administration, could make a material reduction in the amount of unemployment, for it is agreed that public agencies could furnish employment only when there are positions offered by the employers.

But the public employment agencies are not undertaking to prevent all unemployment; they are merely a part of the more general program for the prevention and alleviation of unemployment. The particular function of the employment agency is to organize the labor market, and by that means to reduce unemployment as much as possible. Consequently, uncertainty in regard to the extent to which unemployment can be prevented by public agencies is not fatal to the efficiency of these institutions in the performance of their assigned function.

One of the ideals of the public employment agency is to promote a controlled mobility of labor, and thus to prevent the aimless wandering in search of employment, or the hawking of labor. In regard to this ideal it may be asked, Is it possible for public employment agencies to prevent the custom of wandering in search of employment? And, To what extent is an increase in mobility of labor probable?

There is no doubt that it is possible for the public agencies by means of more complete information in regard to demand for labor to reduce the habit of hawking labor, but the pressure of unemployment would apparently maintain the custom to some extent as long as it proved profitable, and it would be rendered unprofitable only by monopolization of the work of placement, and by some assured means of support during unemployment, such as insurance. It may be concluded, then, that any efficient employment agency will reduce the hawking of labor, that employment agencies which can secure a monopoly of placement will eliminate most wandering for employment, except when there is pressure of extreme unemployment, and that wandering in search of employment can be completely eliminated only by a supplementation of the public agencies by some other parts of the program for dealing with unemployment, such as insurance against unemployment. The success of the agencies in preventing this hawking of labor depends, therefore, largely on the ability of the agencies to secure, either by greater efficiency or by law, such a unified control of placements as to grant them a virtual monopoly. The possibility of securing such a monopoly depends, in turn, on the attitudes of the possible patrons of the agencies.

The purpose of increasing the mobility of labor is based on the belief that unemployment in one community does not mean unemployment in other communities, that the facilities for finding employment are at present better in the city than in the small towns and open country, and especially that the facilities for securing work in one community are much better than the facilities which exist in any community for finding work in other communities.

Devine, op. cit., pp. 7-9.

Of 176 employers in New York City 71.0 per cent reported that they could always secure all the help they desired, while of 547 employers in the rest of New York a smaller proportion, 60.8 per cent, reported that they could always secure all the help they wanted.

New York, Report of Commission on Unemployment, 1911, pp. 159-60; Devine, op. cit., p. 185.

Lodging house statistics show that during depression there is an increase

in the relative number of applications by persons who have been in the city a short time.

Devine, op. cit., p. 194.

And some factories which have been moved from the cities to the suburbs or to smaller towns have been compelled to return to the cities because of the inability to secure labor in the suburbs or small towns.

E. E. Pratt, Industrial Causes of Congestion of Population in New York City, Columbia Studies, Whole No. 109, 1911, pp. 74, 100-02.

Thus it appears that, on the one hand, the employers in the smaller towns have the greater difficulty of securing help and, on the other hand, the employes in the smaller towns go to the cities when unemployed. This is apparently because the facilities for finding employment in the smaller towns are fewer, because more people, in absolute number, are finding employment in the cities, and hence, there is a better gambling chance in the cities to secure work, and because the opportunities for employment in the smaller towns and open country are scattered.

In view of these facts it is proposed that the public employment agencies, by securing information in regard to a wider area, will be able to increase the mobility of the workers, and thus to reduce the unemployment. Some of the skilled workers and the unskilled workers to a much greater extent have developed habits of mobility.

New York, Report of Commission of Immigration, 1909, pp. 121-22; William Hard, Unemployment as a Coming Issue, American Labor Legislation Review, 2:96-97, '12.

One hindrance to greater mobility has been the lack of definite, accurate and trustworthy information in regard to employment in other localities, and some of the foreign public agencies, by furnishing such information, have succeeded in promoting mobility.

Rowntree and Lasker, Bulletin de l'association pour la lutte contre le chômage, 1:407, Oct.-Dec., '11.

Nevertheless it has been a general experience that many of the workers exhibit an extreme disinclination to employment in the smaller towns or open country, and prefer to remain unemployed in the city and take chances on securing employment later.

Massachusetts, Report of Board to Investigate the Subject of the Unemployed, 1895, Part V, pp. 87-99; National Employment Exchange, 1st Annual Report, 1910, p. 23; New York, Report of Commission on Unemployment, 1911, pp. 102-03. There is a large number of articles in regard to the migration of workers to the country in Europe. See, on this, particularly, B. K., Les migrations ouvrières et la placement agricole, Bulletin de l'association pour la lutte contre le chômage, 2:381-410, July-Sept., '12; L. Paperin, Le placement agricole, ibid., pp. 429-32. Each of these articles contains a bibliography on the subject.

This attitude is due not only to the dislike of the open country, but also to the desire to maintain a family life, to the fear that employment in other communities will be temporary, as well as to a more fundamental disinclination to mobility and to the breaking away from personal group relationships. The extent to which mobility can be increased in view of this attitude is questionable. While the unskilled and unattached workers may submit to transference from one community to another, there is doubt both in regard to the extent to which that would relieve general unemployment and the extent to which the skilled or attached workers would be willing to develop similar mobility.

The attitude of the trade unions is another factor in the possibilities of organization of the labor market by the public employment agencies. There is, at present, no consistent trade union policy in regard to public employment agencies, but there are indications of such a policy contained in the statements which have been made and in the probable effects which public employment agencies will have on other trade union policies. It has been unnecessary for the unions to take a very vital interest in these agencies because of the fact that the applicants for employment in such agencies have not generally been in the skilled trades in

which unions are organized. The previous expressions of attitudes have been various and have been in general uncorrelated with a general trade union policy. But there are factors in the present situation and in the newer ideals of public employment agencies which make it probable that the unions will manifest hostility toward an extension of the agencies.

In the first place, the American Federation of Labor has undertaken a more vigorous campaign for the organization of the unskilled and migratory labor. They expect that one inducement which will affect these workers who are at present unorganized is the possibility of assistance in securing employment by the inauguration of union employment agencies. The preemption of this function by the state would, therefore, take away one incentive for these unskilled workers to form organizations and therefore would weaken the efforts of the American Federation of Labor to extend its organization. Consequently the American Federation of Labor would be likely to insist on the preservation of this function of placement for the workers themselves in order to retain the incentive to become organized, and to shift their attention from public agencies, in so far as it has been so directed in some localities, to "collective self-help." There are many indications of this recent attempt of the unions to solve the problem.

> California, 10th Annual Convention of California State Federation of Labor, 1909, pp. 45-46; statement by Victor Olander, President of the Lake Seamen's Union, in report of Sub-Committee on Immigration to the Chicago Commission on Unemployment; John Mitchell, Shingle Weaver, Oct. 4, '13, p. 1; Gompers, Address to the Convention of the American Federation of Labor, in A. F. of L. News Letter, Nov. 15, '13, p. 9.

In the second place, it may be expected that the trade unions will oppose the public employment agencies as central agencies because, as such, they would deprive the unions of a weapon in the struggle against the employers. Placement is a function which the American unions have performed since their origin, which has assisted them in the control of the labor supply of their trades, and has been valuable in the maintenance of such conditions as the closed shop. It is largely through their employment agencies that the unions are able to secure a control of the personnel and to insist on the closed shop; and both of these policies are fundamental to trade unionism as at present organized. The agencies assist the members of the union to secure positions in union shops, and they assist the employers to secure union employes. In public agencies the union members would be on a par with non-union applicants for employment, except in so far as the employers could be induced to demand union workers from the public agencies. If the employer refused to make such demands, the state would lend its assistance to him to secure employes without reference to membership in unions. Thus the union would be deprived of this means of control. Though the union employment agencies have not been highly efficient, the unions are not apt to surrender them until compelled to do so, and are apt to manifest hostility to an attempt to deprive them of this weapon. There have been few expressions by unions in regard to this, for it has hardly been contemplated in the United States as a possibility. Conner found, however, that the trade unionists generally were indifferent or hostile to an extension of public agencies to the skilled trades,

> Loc. cit., p. 90.

and some of the Chicago unions, which were favorable to public agencies as general institutions, stated in 1912 that they would oppose them in their own trades. It seems utterly impossible that the trade unions would manifest any other attitude than one of hostility toward an extension of the public agencies which were so organized as to deprive them entirely of this function and as to promote inter-occupational mobility without reference to union membership.

To this argument it would probably be replied that two of the state agencies in Wisconsin and the municipal agencies in Tacoma, Spokane and Portland are managed by boards representing the trade unions, the employers and the city or state. But these agencies exist in practice principally for the unskilled; the trade unions retain their own agencies for their trades; the unions cooperate in the management of such institutions almost entirely for the assistance of workers who are still unorganized. The question of elimination of the union employment agencies and of a policy of inter-occupational mobility in opposition to the trade union policy of trade exclusiveness has hardly been considered in these agencies, and in these localities such developments have not been significantly

dangerous to the trade unions. In Germany the trade union congress was extremely hostile to the jointly managed agencies in 1896 and warned the members against any other form of control than that of the unions.

Protokoll der Verhandlungen des zweiten Kongresses der Gewerkschaften Deutschlands, Berlin, 1896, p. 124; There had been even before this some jointly managed agencies. See R. Michels, Das Problem der Arbeitslosigkeit und ihre Bekämpfung durch die deutschen freien Gewerkschaften, Archiv für Sozialwissenschaft und Sozialpolitik, 31:467, 1910.

but in 1899 admitted the validity of that form of control under some circumstances,

Protokoll der Verhandlungen des dritten Kongresses der Gewerkschaften Deutschlands, 1899, p. 203; Michels, loc. cit., pp. 465-67.

and since 1903 have sometimes demanded such control in their trade agreements and have even instituted strikes to secure it.

Beveridge, Economic Journal, 18:15, March, '03.

In many cities of Germany the trade unions have incorporated their own agencies in the public agencies and especially in Stuttgart all the strong unions, except the printers, have surrendered their own agencies.

Beveridge, loc. cit. p. 7.

Moreover in Germany the most prevalent and successful form of public agency is that under the joint control of unions and employers. It is necessary, however, not only to know the fact of the change of attitude, in regard to which there is no doubt, but also to secure an explanation of that change. The employers' associations in Germany have been able to establish extremely successful employment agencies, which have been virtual blacklists, and to which the workers have manifested very great opposition; the unions have been unable to secure such complete control of the labor supply as to make it necessary for the employers to patronize their union agencies. Consequently it was to the advantage of the unions to compromise on a joint control of the public agency, if the employers would consent or could be compelled to do so, rather than to maintain what appeared to be a losing fight with the agencies of the employers.

Kessler, Die Arbeitsnachweise der Arbeitgeberverbände, 1911, passim; B. K., La lutte pour le placement paritaire, Bulletin de l'association pour la lutte contre le chômage, 1:239-61, Oct.-Dec., '11, reproducing parts of Sächsische Gewerksschaftskartelle, Protokoll über die Verhandlungen der ersten Konferenz, 1909, pp. 58-59; and Protokoll der Verhandlungen des achten Kongresses der Gewerkschaften Deutschlands, 1911, pp. 305-06.

Jastrow has objected to this explanation of the change in attitude of the trade unions and maintains that the change was due to a favorable experience with the public agencies in actual operation, rather than to the struggle with employers. Arbeitsmarkt und Arbeitsnachweis, p. 168.

If this explanation is correct, this cooperation of the trade union in the joint management of the public agency means that the unions have compromised because they could not compete successfully with the employers in the attempt to control the labor market through their agencies, and that they have been willing to surrender their independent and exclusive control of the agencies in consideration of the elimination of the employers' agencies.

In England, where the union agencies are much stronger than in Germany and the agencies of the employers' associations have had a slighter development, the unions, though somewhat favorable to the public agencies before they were established, have manifested general hostility since operations have begun. Statements have been made by trade unionists in their Congress that they would abolish the entire system if possible, that the agencies are the worst evil that has befallen the workers and that the agencies have been of value to the employers in securing strike-breakers but are not needed by the workers.

Beveridge, Compte rendu de la conference internationale du chômage, 1910, Vol. III, No. 26, p. 15; 42nd Annual Report of Trades Union Congress, 1909, pp. 15-52; 43rd report, ibid., pp. 160-65; 44th Report, ibid., pp. 190-95.

While this attitude of opposition is not universal and seems, in fact, to be the radical attitude, there has been a change from less to greater hostility in England.

This European experience, therefore, is not conclusive in regard to the probable attitude of American trade unionists, but at least leaves the possibility of increasing hostility and of conflict unless the employers' associations develop agencies so powerful that the unions are willing to compromise. Moreover, the general conclusion from other attempts made by unions and employers' associations to secure a common basis of agreement is that there has appeared to be no common standards on which both could agree, but that such attempts have been merely compromises to prevent continued conflict and made on the basis of the relative strength of the opponents. Consequently the conclusion is that the unions would oppose the establishment of such employment agencies as those proposed and would not at the present time be able to agree on a basis of justice that could be used in the administration of such agencies, if joint control were secured, in the trades in which unions have been formed.

The attitude of the employers' associations, also, must be taken into consideration in determining the possibilities of development of the public employment agencies. These associations in the United States have displayed no consistent attitude, as a whole, up to this time, and the instances of extreme opposition to public agencies are explicable in terms of the particular conditions rather than of the principle. Moreover, very little is known in regard to the general principles and philosophy of the employers' associations of the United States. But these associations have been growing very rapidly in the last few years, and have exhibited consistent attempts to overcome any form of union control of industry and to retain exclusive control of industry. While the employers' associations of Germany have been willing in some cases to surrender their own agencies and cooperate in the administration of general public agencies, there has been great development since 1906 in the agencies maintained and managed exclusively by employers' associations. Moreover, these German associations have shown an increasing attitude of hostility toward the jointly managed agencies and of consistent demands for their own agencies. In 1908 Dr. Flechtner, the Director, stated in a Conference of Employers' Exchanges, "The two principal reasons for the formation of exchanges are the following: they facilitate the control of the strikers and those locked-out, and they increase the powers of the employers' associations in question."

Quoted in Bulletin de l'association pour la lutte contre le chômage, 1:244, Oct.-Dec., '11.

The following paragraph in regard to employers' agencies was contained in a secret circular sent to employers' associations in 1909, "The placement of workers always has immense importance for the employers. It is only a platitude to say that the one who controls a well organized agency can control the conditions of employment. . . . The application of this principle in practice will be a means of combat of first-rate importance."

Ibid. p. 245.

On October 29, 1909, the Union of German Employers' Associations announced the following program with reference to employers' agencies, "The agencies must be in the hands of the employers, in the interest of the industrial activity of the fatherland. The system of jointly-managed and public agencies should be condemned,"

Kessler, Die Arbeitsnachweise der Arbeitgeberverbände, p. 10.

and on April 19, 1910, this program was made more explicit, thus, "Agencies which are jointly managed by employers and employes should not be established in the future and efforts should be made to abolish the existing agencies of that kind."

Ibid. p. 10.

These expressions show that the employment agency is a weapon for the employers as well as for the employes, and it is one which the employers' association seems able to wield with great effect. This offers a distinct possibility for the development of employers' associations and consequently for opposition to public employment agencies in trades, in which the associations are interested or in which unions are organized.

These factors are not necessarily and inherently insuperable, but they are evidence that the public employment agencies, first, have no clear conception of the extent to which they can prevent unemployment by their plan of organizing

the labor market, even if there is no opposition; secondly, that the workers will manifest a tendency to immobility which will reduce the value of the agencies in the solution of the problem; thirdly, that both employers' associations and trade unions in the United States have advantages to gain by the maintenance of their own agencies, and both have certain general principles, more or less developed at present but, at least for the employers, probably capable of much greater development, which will make the successful operation of the public agencies along the lines indicated extremely difficult; and fourthly, that the trade unions have some policies which seem to be directly in opposition to the principles involved in the policies of the public employment agencies, as planned; the promotion of inter-occupational mobility is an example of this opposition. When suggestions of monopoly of placement are considered in connection with these attitudes of employers and unions it becomes apparent that there is no immediate prospect of a complete control of the distribution of labor; and when it is suggested that the public agencies would make wandering in search of work unnecessary, these factors are not taken into consideration. The plan to break up the distinct centers in the labor market and to substitute one central agency appear, likewise, utopian. This does not mean that the public agencies can not improve the situation, for it is evident that there is distinct possibility of improvement even within the lines laid down by the existing employment agencies. It does mean that there are difficulties in the way of the successful operation of these agencies in accordance with the assigned function, which may prevent any large solution of the problem of unemployment by this means until other factors in the situation are changed.

CHAPTER VI.

THE ASSUMED FUNCTION OF PUBLIC EMPLOYMENT AGENCIES IN RELATION TO GENERAL SOCIAL PROBLEMS.

From the logical standpoint, the student should contribute to the solution of any social problem, after he has come to a realization of the problem, by the selection and collection of facts on the basis of a more or less definite hypothesis or interest, reformulation of that hypothesis to take account of the facts collected, selection and collection of other facts on the basis of the reformulated hypothesis, and a continuation of this process of selection of facts and reformulation of hypotheses until all the pertinent facts are gathered up in one hypothesis and can be submitted to the group for action.

The students of unemployment have started in that way; they have realized the problem of unemployment, from the standpoint of its extent and effects; they have generally taken the public employment agency as the solution which should, hypothetically, be the beginning of this program for dealing with unemployment; and they have collected facts. But the data which they have considered have been restricted, characteristically, to the data of unemployment. The facts of unemployment have been isolated or abstracted from the rest of the social order, and it has been urged that the public agencies, substantiated on the basis of these abstracted facts of unemployment, should be established in the midst of a social order which has not been taken explicitly into consideration in the formulation of the solution.

> The following types of facts are ordinarily considered: extent, causes and effects of unemployment, inadequacies of remedies of the past, outline of a plan for operation of public agencies which will reduce unemployment to the greatest possible extent. This may be illustrated by reference to the Report of the New York Commission on Unemployment, 1911, or to Beveridge, Unemployment.

The fact that public employment agencies would prevent or reduce unemployment does not in itself prove that they should be established; relief work might accomplish the same results, so far as unemployment alone is considered. An adequate solution of the problem requires not only that unemployment be reduced or eliminated, but also that this solution shall not react on the general

social order in such a way as to intensify and complicate other social problems, and produce conditions even more undesirable than unemployment. But the advocates of the public employment agency have virtually said: Assuming that the present industrial system remains as at present and assuming that public employment agencies will have no other effects than to secure work for people who are unemployed, how should they be organized so as to accomplish that result to the greatest possible extent? The possible effects of such institutions on wages, conditions of work, the trade union movement, the efforts to regularize industrial operations and, in general, on other social problems, have been generally neglected by the advocates of such agencies both in the United States and Europe. It does not follow that attention would have been paid to these possible effects on other social problems than unemployment if such effects had occurred in the operation of European agencies. This lack of explicit comment is not necessarily an indication that the public agencies, which are admittedly far short of the ideal, have not had bad effects, for the social situation is so complex that it is difficult to trace bad conditions to a particular institution and, even in Germany, the complete effects of public agencies are not yet necessarily apparent because of their relatively short period of operation.

Public agencies have, to be sure, been considered by their advocates as parts of, and in connection with, the more general program for dealing with unemployment. But this means that they have been considered as institutions necessary for the successful operation of the rest of the program. The connection of public employment agencies with the more general program is not in itself a valid test of the desirability of such agencies.

It is very true that it is impossible to determine with certainty what the effects of these institutions will be; but it may be worth while to indicate some of the broader problems that may be involved in public agencies, in so far as they succeed in securing an organization of the labor market and that have not been adequately investigated. Definite knowledge and intensive investigation of these problems may be sufficient to give the agencies additional substantiation or to necessitate considerable modification in the general policy of such agencies.

If the operations of an industry are such as to throw some of the workers out of employment, there are two general lines along which solutions might proceed: (1) those industrial operations might be modified and made more regular so that, thereby, the number of employes required by the establishment be kept more constant; and (2) the industrial fluctuations might be taken as the fixed and given, and the workers be shifted, when unemployed, to other occupations or to other localities. The students of unemployment have generally accepted the industrial fluctuations as the fixed and attempt to solve the problem by the shifting of workers to fit the fluctuating demands of industry. Their ideal is, first, to eliminate all possible unemployment by shifting the workers, and then by the more rational letting of government contracts, to eliminate some of the greater industrial fluctuations—the cyclical depressions—in regard to which employment agencies are impotent. It is possible to have the other ideal: first, to eliminate so far as possible all industrial fluctuations, not only the cyclical depression, and then, second, to shift workers as required. The policy of complete elimination of industrial fluctuations is apparently utopian, in consideration, especially of climatic conditions; moreover it would involve a considerable modification of the fashions and the habits of consumers, of the methods of production and a considerable restriction of the private management of industry for the sake of profits. How far such fluctuations could be decreased is quite unknown, but there seems to be no valid reason why the problem should not be attacked from this side as well as from the side of the workers.

Public employment agencies by increasing the facilities for the employes to secure employment would increase, also, the facilities for the employers to secure help. Is it possible that industries whose operations are now kept regular by the difficulty of securing help might be made more irregular by an increase in those facilities? Fluctuations in the number of employes required by an establishment are due in part to the modern "rush order" form of business. In 1895 the Massachusetts Board to Investigate the Subject of the Unemployed found that "in the old days a manufacturer would often employ his hands during the dull season in making up goods for which he expected to receive orders during the busy months; now the tendency is more and more to do an 'order' business,—

to wait until an order is received, then to employ all the hands who can be utilized, 'rush' the order through and then discharge the hands."

Massachusetts, Board to Investigate the Subject of the Unemployed, 1895, Part V, p. vii.

The iron and steel industry has a policy of "running a department at top speed and under the heaviest pressure while there is an active demand for its particular products and then shutting it down as soon as the market becomes weak."

United States, Report on Conditions of Employment in the Iron and Steel Industry, Vol. III, p. 21.

This is apparent, also, in many other modern industries. The purchasers by buying in large quantities and at long intervals increase the competition for their orders and thus secure lower prices.

New York, Report of Commission on Unemployment, 1911, p. 42.

Overhead charges, a sympathetic or paternalistic attitude toward the employes,

The Pullman authorities claim that during the depression of 1893 they accepted contracts at a loss in order to afford work to their employes. G. R. Taylor, Satellite Cities: Pullman, Survey 29:119, Nov. 2, '12.

and the effect of unemployment on the efficiency of the working force

United States, Report on Conditions of Employment in the Iron and Steel Industry, Vol. III, pp. 379-80; United States, Industrial Commission, 1901, Vol. XII, pp. 440-41.

tend to prevent such variations. To what extent the difficulty of securing employes in rush times is a preventive of these fluctuations is unknown; but in so far as it does have that effect, it is possible that public employment agencies would tend to make industrial operations more irregular and thus to cause a larger number of workers to be thrown out of employment. On the other hand it is possible that the increased facilities of securing employment would enable the best workers to select the positions of greatest permanency, and that this would tend to make it profitable for industrial establishments to maintain greater regularity of employment. There is still a further question as to whether increased irregularity of industrial operations, even if the inevitable consequence of public employment agencies, would be undesirable.

For various reasons, of which the difficulty of securing labor is one, efforts have been made and are now being made to break up some of the artificial variations in the demand for labor in particular industries or occupations. Some employers have shifted employes from one department in its slack season to other departments in which the demand is more active.

This is the practice in the firm of Hart, Schaffner and Marx in the Chicago clothing industry. See, also, G. R. Taylor, loc. cit., p. 123.

In agriculture efforts are being made to adopt such cropping systems and organization of work as will require a regular labor force during the year.

W. J. Spillman, Seasonal Distribution of Labor on the Farm, Yearbook of United States Department of Agriculture, 1911, pp. 269-84.

It seems very probable that such efforts to regularize industry and agriculture, in so far as they are the result of difficulties of securing labor, will be nullified by increased facilities of securing labor.

If any such results as the promotion of irregularity of industrial operations or the nullification of the efforts to make industry more regular should appear, they might be off-set by legislation that would regulate the hours of work, by penalties on over-time, and similar measures; it might be possible, also, to generalize the legislation of South Carolina which requires that employers must, with certain conditions, give notice to their employes two weeks before a shutdown occurs.

American Labor Legislation Review, 2:490, Oct., '12.

This would give the employes an opportunity to register at the public agencies and to secure other employment. Also it is possible that seasonal variations, if promoted by the public agencies, might be off-set by such arrangements as that in the sugar refineries, by which two refineries are maintained in

readiness to start in times of unusual demand and are shut down when that demand ceases, thus keeping the operations of the other refineries more constant.

American Sugar Refining Company, Statement, 1909, p. 1.

Emigration at the present time tends to reduce the number of the unemployed in times of depression, at least to a small extent, since it reduces the entire labor supply in the country. Emigration is undoubtedly promoted at such times by the difficulties of securing employment. It is to be expected, therefore, that any improvement in the facilities of securing employment would tend to reduce emigration. Moreover, the foreign laborers, with lower standards of living, would have an advantage in competing for positions in some occupations, thus increasing the number of citizens unemployed. It might be possible to offset any such tendency by giving a preference to citizens, but such a method would throw on to the community the burden of supporting those foreigners who do not emigrate.

According to Webb, the provision of the Unemployed Workmen Act which required twelve months' residence in a district, for eligibility to the labor exchange, worked badly. Public Organization of the Labour Market, p. 157.

One of the principles on which the public employment agency relies for efficiency in reducing unemployment is the increase of inter-occupational ability. The trade union movement, on the other hand, has been built up on the principle of the control of the labor supply, and the consequent inhibition of inter-occupational mobility by apprenticeship regulations, and by other methods of making it difficult to enter an occupation. The public employment agency and the trade union appear, therefore, to be fundamentally in conflict. The trade union attempts to reduce the number of persons who can compete for positions in its trade; the public employment agency attempts to break down the barriers between trades to permit a greater fluidity of labor, and to enable workmen to secure positions without reference to craft lines. The trade unions of Germany have, to be sure, cooperated with the public agencies, but this cooperation seems to be a compromise made in consideration of a similar surrender by the employers. What the effect will be on the trade unions is not yet apparent.

There are many questions connected with the relationship of these two institutions which are, similarly, far from clear. There has been considerable discussion of the proper policy for the public agency in times of strikes and lockouts, and it has been generally agreed by the students of unemployment that the agencies should be impartial, by which it has been meant that they should merely inform the workers of the existence of strikes and lock-outs and permit the individual worker and the individual employer to make the bargain on the basis of this information. Since this assumes individual bargaining, it does not seem "impartial" to the trade unionists, who are accustomed to insist on collective bargaining. However, the trade unionists prefer such "impartial" agencies to the agencies of the employers, in which the seeker for employment is frequently left quite ignorant of the existence of industrial difficulties.

Efforts have been made to secure the support of trade unions, but the attitude has generally been of this nature: assuming the general ideal, as outlined above, what elements in it are of such a nature that they can be presented to the trade unions in a way to win their support? There has been no fair consideration of the possibility of destroying trade unions in case a monopoly of placement is secured by the public agencies. In so far as the trade union rests on the control of the personnel and the closed shop, this monopoly of placement, either by virtue of law or of efficiency of operations, would apparently destroy the trade union movement, and might turn it into a movement less desirable than the present one. In general the problems involved in the relationship of trade unions and employment agencies have not been adequately investigated and there is no satisfactory information in regard to the effect of the policy of employment agencies, or in regard to the possibility of modifying the policies to obviate whatever bad effects result.

The second general principle on which the public employment agency relies for increased efficiency is the promotion of inter-local mobility. It is not sufficient justification of a public agency to show that it will secure work for a person in another community, which the existing agencies are unable to secure. The question must be asked, Is this increased mobility desirable? The abstraction of the

data of unemployment from the general social order and the assumption that the problem should be solved by shifting workers to meet the needs of an industrial system which is regarded as fixed and given have resulted in plans and policies which seem to consider the unemployed as parts of a machine, to be transferred from a condition of unemployment to a condition of employment. The unemployed have been dehumanized for the purpose of the solution of this problem. They have not been considered as concrete human beings. There has been practically no investigation of the effects of increased mobility on the unemployed as human beings, or of the effects on their habits and conduct of a transference from their primary personal groups to other communities in which they are unknown and in which no substitutes for these primary groups have been prepared.

> Beveridge refers to this only in the following short footnote: "The labour exchange affects only one obstacle to movement of labour,—namely, ignorance of where to go. It neither removes nor ignores other obstacles: least of all does it, as some of its critics have urged, ignore the fact that 'workmen have homes.' Its aim is to give the workmen a chance, wherever possible, between starving at home and getting work away from home. At present lack of information leaves him in nine cases out of ten without this choice." Unemployment, p. 203, footnote. This does not remove the difficulty, however, for there are possibilities that the successful operation of the employment agency might produce a mobility that would be less desirable than unemployment.

The ideals of the individual are largely formed and maintained in the primary group, in which there are intimate personal relationships and face-to-face contacts.

> Cooley, Social Organization, pp. 23 ff.

It is principally the sanction of one's personal relationships that holds him in line with the type of conduct considered desirable by his group; apart from the pressure of these primary groups formal standards of law and morality seem to have slight influence. Though the trend of modern civilization is very definitely in the direction of the break-up of the static non-communicating groups, the possibilities of a general substitution of a mobile, unattached, footloose existence for the present system of small group control and group self-protection are involved in the policy of the public employment agencies in so far as they succeed in their ideal of promoting mobility.

> There is some slight evidence from Scotland that family desertion has been increased by this policy of the employment agencies to assist workers to secure employment abroad. Survey, 30:385, June 21, '13.
>
> Leiserson has emphasized the fact that the laborers are already more casual than the jobs, and that few of the laborers wait for the end of the season to throw them out of work. "How to stop the drifting, the incessant changing of places, the moving from town to town, when there is plenty of work at home—that is the important phase of this problem which needs to be studied. The spectacle of thousands of laborers roaming idle about the country, or working at odd jobs while employers are fairly begging for men, has been witnessed by employment agents throughout the country during the last two summers. Could there be a greater menace to industrial stability and prosperity? If labor retaliates as capital has done, and moves away or refuses to invest his labor power, then what will become of our industrial structure and the civilization built upon it?....Perhaps there is no incentive to labor under present conditions." The Laborer Who Refuses to Invest, Survey, 31:165, Nov. 8, '13.

There are undoubtedly many narrow group standards which should be destroyed, but at the same time it is desirable that there be some substitute better than those for migratory workers at present, such as lodging-houses, labor-camps and cheap saloons. A wider experience, also, is desirable and the increased mobility may assist workers to secure this. But these general problems concerning the policy of increasing mobility are yet unsolved.

Another aspect of this increased mobility is the possibility that it may mean an increased mobility of the country workers toward the cities, a promotion of the drift to the cities. While the public employment agencies would tend to secure employment for the unemployed persons residing in the cities, they would

also tend to have the reciprocal influence of securing employment in the cities for those residing in small towns and open country.

The New York Commission on Unemployment stated that the public agencies would assist farm laborers to secure work in the neighboring towns during the winter. Report, 1911, pp. 13, 67.

In England, even with attempts to prevent it, the public agencies have had some tendency to promote the rural exodus, so far as York is concerned.

Rowntree and Lasker, Bulletin de l'association internationale pour la lutte contre le chômage, 2:407, Oct.-Dec., '11.

Whether, on the whole, the drift would be principally from the city to the country or from the country to the city is as yet uncertain. But there seems to be a very considerable antipathy on the part of the city workers to employment in the country and a very considerable desire on the part of country workers to get into the cities. The inference is that the drift to the cities would probably be promoted. It is still uncertain whether this influence, if it should prove to be so, would be desirable or undesirable. The German public agencies have met this problem to a certain extent by administrative methods of hampering the country workers who express a desire for city employment and particularly by submitting information in regard to the opportunities for work in the cities, the cost of living and the conditions of work.

Baab, op. cit., pp. 215-17, 270.

The public employment agency by increasing the facilities for employment and promoting inter-local mobility would offer excellent opportunities to those workers, already numerous in the United States, who refuse to work in one place longer than a few days or a few weeks.

Leiserson, Survey, 31:165-66, Nov. 8, '13.

Public employment agencies may result in the encouragement of temporary engagements, frequent changes in the place of employment and consequently a mobilization of labor which, from the standpoint of industry, is unnecessary, and, from the standpoint of social control, is apparently undesirable. It is reported that the German public employment agencies have had the effect of increasing the short time engagements and frequent changes in engagements because of this increased facility of securing employment.

W. Beauchamp, Insurance Against Unemployment, Westminster Review, 175:163, '11.

One of the important effects of this increase in inter-local and inter-occupational mobility would be to increase the potential competition. There has been no adequate investigation of the effect of this increase of competition on the bargains made by employers and employes.

A. L. Bowley has made a careful analysis, on the basis of theoretical and mathematical data, of the relation of mobility to wages. Wages and the Mobility of Labour, Economic Journal, 22:46-52, March, '12. He reaches the conclusion that "increased mobility of labour always tends to produce lower prices to the consumer, or higher average wages or higher profits, and may produce all three." But there has been no investigation of the relation of public employment agencies or of increased mobility to wages and conditions of work on the basis of actual experiences with these agencies.

The general assumption has been that employment agencies will improve conditions of work merely by making them known to the workers,

Baab, op. cit., p. 162.

and that more advantageous bargains will be made since both parties to the bargain would be acting on the basis of more complete information in regard to the demand and supply.

Baab, op. cit., p. 257.

It appears, however, that the establishments in which the conditions of work and pay are most satisfactory to the workers would secure greater permanency of engagements, and that these establishments would make fewer demands on the agencies than the establishments in which the conditions are less satisfactory. Consequently the public agencies would be of greatest assistance to the parasitic

industries and to the industries in which the conditions were least satisfactory. Whether these industries would be able to secure workers through the public agencies is uncertain, for the workers might prefer to wait for better opportunities of employment and thus force the employers to improve these conditions. In general it is still largely a matter of speculation as to whether the public agencies would so reduce unemployment as to increase the competition between employers and thus result in the improvement in the work conditions, or whether the competition between the employes would become so keen as to impose on them conditions which are even less desirable than unemployment. There is a further constitutional question in the United States,—whether the public employment agencies could constitutionally discriminate between employers on the basis of conditions of work. The United States Bureau of Immigration maintains employment agencies which make careful inquiries in regard to the wages and the conditions of work, and on the basis of this information advises the applicants for employment to apply for the positions or not to apply.

United States, Annual Report of Commissioner of Immigration, 1909, pp. 232-34.

There is no indication that the other public agencies in the United States make such investigations, except in regard to the wages, or that they have attempted to control the conditions of employment.

This difficulty of discriminating between employers was one of the reasons for making the National Employment Exchange a philanthropic rather than a public agency. Devine, op. cit., pp. 16-17.

These questions are fundamental to the conception of the function of public employment agencies. They have not been adequately investigated and possibly can not be investigated except on the basis of the actual operations of such agencies.

Summarizing, it may be said that unemployment is one of the most important social problems of modern times; the extent and effects of unemployment are of such a nature that some solution of the problem is urgently demanded. Students of unemployment have suggested a program for the solution of the problem; in this program the leading place is given to the public employment agency, the function of which is to organize the labor market. Up to this time the public and non-public employment agencies in the United States have developed a very inadequate organization of the labor market; they have resulted in the establishment and maintenance of a long series of distinct, non-cooperating and frequently competing centers in the labor market, and there has been no development of central agencies, communicating with similar agencies in the rest of the country, in which demands for and supplies of labor in all occupations and all localities are represented. The operation of such agencies, however, is rendered extremely difficult because of the opposition on the part of many workers to an increased mobility and on the part of the trade unions and the employers' associations to the loss of their own agencies, which are valuable weapons in the industrial conflict; also, there is no adequate basis for a determination of the extent to which such agencies, operating on the policy of increasing inter-occupational and inter-local mobility, would succeed in reducing unemployment.

In the presentation of this program the students of unemployment have not used a valid logic, for they have based their solutions on the facts of unemployment alone, have abstracted those facts from the general social order, and for the purpose of the solution of the problem have dehumanized the unemployed; and they have assumed the industrial fluctuations, from which unemployment results, as the fixed and given. Consequently they have not investigated thoroughly the important effects that such institutions may be expected to have on other social conditions than unemployment. The decrease in the regularity of industrial operations, the reduction of emigration in times of depression, the destruction of the present trade union principle of trade exclusiveness, the partial dissipation of small group control, the promotion of the drift to the city, the increase in the class of shiftless workers, the fostering of parasitic industries are possible effects of such agencies. There is no certainty that any or all of these effects will result, but there is no certainty that they will not result, and the question of whether such effects will result has not been adequately investigated. These agencies are expected to give more complete information in regard to the labor market, and

abstractly there can be no objection to the most complete information. But that increase in information may be expected to produce great changes in the social organization and provision may, by some forethought, be made to prevent injuries that result from sudden changes.

It is not intended to deny that employment agencies of some kind are and probably always will be a necessity, and that at the present time the state seems to be the best equipped to manage those agencies efficiently, at least for some classes of workers. But there is doubt in regard to whether those agencies should set out to reduce unemployment as far as possible by shifting workers from one locality to another or from one occupation to another, when some of the necessity for shifting might be removed by modifications in the industrial methods, in the habits of consumers and in the social organization in general. If it is true that unemployment is inherent in the modern industrial organization, the broader problem of the modification of that organization is presented, and it would appear that the problem to which the entire society gives rise can not be satisfactorily solved by manipulation of a part of the society.

This means that the public employment agency is in an experimental stage. Its complete effects have not been determined. Consequently its proper function can be determined only after the various possible and actual effects of such agencies have been thoroughly investigated, and such an investigation is possible only on the basis of agencies actually existent. It means, also, that such institutions can not be maintained in the present social organization without reacting on the social organization; therefore, in establishing public employment agencies it is necessary to do much more than to establish such agencies; it is necessary, for instance, to make provisions for the increased mobility which will be more satisfactory than the present lodging-houses. This does not mean that the public employment agency is a harmful institution, but that the desirability of this institution is dependent partly on the extent to which harmful reactions on the society can be prevented by a plan which is more inclusive than the program for dealing with unemployment, and the extent to which its function is determined by adequate investigation of these reactions.

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